

East Cambridgeshire District Council

Meeting: Audit Committee

Time: 4:30 pm

Date: Tuesday 20 October 2026

Venue: Council Chamber, The Grange, Nutholt Lane, Ely, CB7 4EE

Enquiries regarding this agenda: Patrick Adams

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Committee membership

Quorum: 3 members

Conservative Members

Cllr David Brown (Vice-Chair)

Cllr Keith Horgan

Cllr Lucius Vellacott (Chair)

Substitutes:

Cllr Christine Ambrose Smith

Cllr Lavinia Edwards

Lay Member

Vacant

Lead Officer

Jude Antony, Director Finance

Liberal Democrat and Independent Group Members

Cllr Lorna Dupré

Cllr James Lay

Substitutes:

Cllr Mark Inskip

Cllr Gareth Wilson

AGENDA

1. **Public Question Time** [oral]
The meeting will commence with up to 15 minutes public question time
2. **Apologies and Substitutions** [oral]
3. **Declarations of Interest** [oral]
To receive declarations of interest from Members for any Items on the Agenda in accordance with the Members Code of Conduct

4. Minutes	Page 5
To confirm as a correct record the Minutes of the meetings of the Audit Committee held on 14 July 2026	
5. Chair's Announcements	[oral]
6. Draft Annual Governance Statement 2025/26	Page 15
7. External Auditors – Audit Committee briefing	Page 47
8. External Auditors – Rebuilding audit assurance	Page 61
9. Internal Audit Plan Development 2027/28	Page 73
10. Information Governance Annual Report	Page 75
11. Forward Agenda Plan	Page 81

Exclusion of the public including representatives of the press

That the press and public be excluded during the consideration of the remaining items because it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the items there would be disclosure to them of exempt information of Category 3 of Part 1 Schedule 12A to the Local Government Act 1972 (as amended).

12. Internal Audit Progress Report	Page 83
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NOTES:

1. Members of the public are welcome to attend this meeting, but they are asked, where possible, to notify the Democratic Services Manager (jane.webb@eastcambs.gov.uk) in advance. Members of the public can gain entry by reporting to Reception during Office Hours or can enter via the door in the glass atrium at the back of the building for evening meetings.

The meeting will be webcast and a live stream of the meeting will be available. Further details can be found at <https://eastcambs.gov.uk/node/3489> Please be aware that all attendees, including those in the public gallery, will be visible on the livestream.

2. Public Questions/Statements are welcomed on any topic related to the Committee's functions as long as there is no suspicion that it is improper (e.g. offensive, slanderous or might lead to disclosures of Exempt or Confidential information). Up to 15 minutes is allocated for this at the start of the meeting. Further details about the Public Question Time scheme are available at: <https://eastcambs.gov.uk/about-council/meetings-agendas-and-minutes/public-participation-meetings>
3. The Council has adopted a 'Purge on Plastics' strategy and is working towards the removal of all consumer single-use plastics in our workplace. Therefore, we do not provide disposable cups in our building or at our meetings and would ask members of the public to bring their own drink to the meeting if required.

4. Fire instructions for meetings:
- If the fire alarm sounds, please make your way out of the building by the nearest available exit i.e. the back staircase or the fire escape in the Chamber. Do not attempt to use the lifts.
 - The fire assembly point is in the front staff car park by the exit barrier.
 - The building has an auto-call system to the fire services so there is no need for anyone to call the fire services.

The Committee Officer will sweep the area to ensure that everyone is out.

5. Reports are attached for each agenda item unless marked “oral”.
6. If required, all items on the agenda can be provided in different formats (e.g. large type, Braille or audio tape, or translated into other languages), on request, by calling Main Reception on (01353) 665555 or e-mail: translate@eastcambs.gov.uk
7. If the Committee wishes to exclude the public and press from the meeting, a resolution in the following terms will need to be passed:

“That the press and public be excluded during the consideration of the remaining item no(s). X because it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the item(s) there would be disclosure to them of exempt information of Category X of Part I Schedule 12A to the Local Government Act 1972 (as amended).”



East Cambridgeshire District Council

Minutes of a meeting of the Audit Committee

Held in the Council Chamber, The Grange, Nutholt Lane, Ely
on Tuesday, 14 July 2026, at 4:30 pm

Present Cllr David Brown (Vice Chair)
Cllr Lorna Dupré
Cllr Keith Horgan
Cllr James Lay
Cllr Lucius Vellacott (Chair)
Stephen Joyce – Independent Lay Member

Officers Patrick Adams – Senior Democratic Services Officer
Jude Antony – Director Finance & S151 Officer
Maggie Camp – Director Legal & Monitoring Officer
Emma Grima – Chief Executive

In Attendance Rachel Ashley-Caunt – Chief Internal Auditor (IA)
Anastasia Lukhtan – External Audit (EY)
David Riglar – External Audit (EY)

1. Public Question Time

No public questions were received.

2. Apologies and Substitutions

No apologies were received.

3. Declarations of Interest

No declarations of interest were made.

4. Minutes

The Committee received the Minutes of the meeting held on 31 March 2026.

It was resolved:

That the Minutes of the meeting of the Committee held on 31 March 2026 be confirmed as a correct record and be signed by the Chair.

Cllr Lorna Dupré asked if the Committee would consider having an Action Log to keep track of its agreed actions. Cllr Lucius Vellacott stated that it had been

agreed that Council needed to decide whether all the authority's committees should have action logs. He suggested that it was unnecessary and would create extra work for officers.

5. Chair's Announcements

The Chair thanked Cllr David Brown for his work as the outgoing Chair. He welcomed Tracey Flack as the Council's new Principal Accountant. He stated that training would be offered to Committee members before the meeting on 20 October and he hoped that all would attend.

6. Draft Annual Governance Statement 2025/26

The Committee considered a report on the first draft of the Annual Governance Statement 2025/26 (AB38, previously circulated). Emma Grima, Chief Executive, presented the report. She explained that any suggested amendments could be incorporated into the final draft of the Annual Governance Statement that would be considered by the Committee at its next meeting on 20 October 2026. It was noted that in the list of appendices in the report, the date of the Annual Governance Statement should be 2025/26.

In reply to Cllr Lorna Dupré, the Chief Executive stated that she would find out how the completeness of the recording of the meetings of the Council on YouTube had been checked and if necessary, the reason why any recordings were incomplete.

In reply to Stephen Joyce, the Chief Executive explained that all service leads had completed their reports and the content of these reports had held no surprises for Management Team.

In reply to Stephen Joyce, the Chief Executive agreed to work with the Director Finance to update the narrative in the Annual Governance Statement regarding the challenges experienced in the auditing of the accounts and the expected improvements in the process for the future auditing of the accounts.

The Chair proposed and Cllr Keith Horgan seconded the recommendation in the report. A vote was taken and the Committee unanimously

Resolved 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 of the Committee in October 2026.

7. External Auditors Annual Report 2024/25

The Committee received the External Auditors Annual Report 2024/25. David Riglar of EY explained that when the report was written, the External Auditors were waiting for assurances, which had now been given and so the audit of the 2024/25 accounts was now complete.

In reply to Cllr Lorna Dupré, David Riglar explained that some money from the General Fund had been earmarked for specific projects. These funds could be reallocated.

In reply to Cllr Keith Horgan, David Riglar explained that the Council had clearly taken steps to improve the auditing process. The concerns regarding the capacity of the finance team had been addressed. The Council had produced the 2025/26 accounts ahead of the deadlines and had clearly reviewed the working papers provided by the External Auditors. These facts led him to expect that the auditing of the 2025/26 accounts would be a smoother process than the auditing of the 2024/25 accounts.

In reply to Cllr Horgan, David Riglar stated that the External Auditors had to carry out additional work when auditing the 2024/25 accounts, due to the number of queries and the time it had taken to resolve them. In reply to Cllr James Lay, David Riglar explained that the Council had not produced information regarding the 2024/25 accounts according to the agreed timetable, whilst responses received before the audit had started for the 2025/26 accounts had been provided in time. In reply to Stephen Joyce, David Riglar explained that when the External Auditors worked more hours than expected when auditing the 2024/25 accounts, they had submitted a report to the Public Sector Audit Appointments (PSAA) who would review the data. He stated that when a report was received from the PSAA it will be forwarded to the Director Finance. Stephen Joyce was reassured that the PSAA were overseeing this matter.

In reply to Cllr James Lay, the Director Finance explained that every year the budget surplus was used to balance the budget.

In reply to Cllr Lucius Vellacott, David Riglar explained that the Council could improve from a disclaimed audit opinion to a qualified audit opinion if it produced good quality draft accounts and ensured that the audit of those accounts was facilitated efficiently, with timely responses to any resulting queries. The Chair stated that the Committee would support officers in attempting to achieve this.

Stephen Joyce stated that the report had highlighted challenges regarding the need to make savings, as detailed in the Medium Term Financial Strategy and the forthcoming Local Government Review. Committee agreed that robust financial management was essential to meet these challenges.

The Committee

Resolved to

Note the External Auditors Annual Report 2024/25.

8. External Auditors Audit Plan 2025/26

The Committee received the External Auditors Audit Plan for 2025/26.

David Riglar presented his report, highlighting the challenges, including the auditing of risks, the valuing of land and buildings and the need to accurately assess the pension liability facing the Council. He explained that due to the audit of the 2024/25 accounts the materiality figure had decreased, which meant greater scrutiny of any anomalies. He hoped that the majority of the work on the 2025/26 accounts would be completed by the end of November and the work on the 2026/27 accounts would start on February.

In reply to Cllr David Brown, David Riglar explained that the External Auditors had increased its capacity to carry out its work and the Government's implementation of the backstop meant that work could be carried out to a defined timetable.

In reply to Stephen Joyce, David Riglar explained that the old Audit Commission had appointed PWC as the actuaries to write the pension report and this arrangement had continued. EY would appoint their own actuaries to review the work of PWC and assess its reliability.

In reply to Stephen Joyce, David Riglar explained that gross expenditure was used to determine the materiality figure, as this complied with the nationally applied auditing standards. He accepted that there were other ways of calculating the materiality figure, but it made sense to be consistent as this made comparisons with previous years and other local authorities possible.

David Riglar was pleased to announce that Irene Mukomba would be working on the auditing of the 2025/26 accounts. Irene had worked for EY for four years and had worked on the 2024/25 audit of the Council's accounts.

In reply to Cllr Lorna Dupré, David Riglar explained that the External Auditors were working on comparative performance data for local authorities and this would be brought to a future meeting of the Committee.

In reply to Cllr Keith Horgan, the Director Finance explained that he was confident that the Council had enough resources to work with the External Auditors and fully prepare the accounts and respond efficiently to their queries.

In reply to Cllr Keith Horgan, David Riglar explained that the appendix included a general form sent to all councils and he acknowledged that some of the questions were not relevant to district councils.

In reply to the Director Finance, David Riglar stated that he was hopeful that at the end of the process, EY would be able to offer a qualified assurance on the 2025/26 accounts.

The Committee

Resolved:

To note the External Auditors Audit Plan for 2025/26.

9. Draft Statement of Accounts 2025/26

The Committee considered a report on the Council's draft Statement of Accounts for 2025/26, which had been published on the Council's website (AB41, previously circulated). Jude Antony, Director Finance, presented the report. He explained that the figure in brackets for reserve movements on page 140 of the agenda pack was incorrect, but this was not material to the accounts and would be corrected in the final Statement of Accounts, which would come back to the Committee for approval.

In reply to Cllr Lorna Dupré, the Director Finance explained that investments of over three months duration had been moved to investments of a shorter duration. Cllr Dupré stated that she would write to the Director Finance to request a more detailed explanation on this matter. In reply to Stephen Joyce, the Director Finance explained that the Council was in control of its own treasury management policy, for assessing the risk and deciding who to invest with. He agreed to add a narrative to this section of the Statement of Accounts to make it easier for a lay person to understand.

In reply to Cllr Keith Horgan, the Director Finance explained that home improvement loans could be charged on to the property. The loans would then be paid back to the Council when the property was sold.

In reply to Stephen Joyce, the Director Finance explained that there had been in downturn in the value of property and this was reflected in the value of business units in the accounts. The lack of income from building control was also a national issue, compounded by the difficulty in recruiting building control officers.

Stephen Joyce recommended that the Council carry out some form of risk assessment on the impact that the Virgin Media ruling could have on the authority's pension fund.

In reply to Stephen Joyce, the Director Finance explained that the capital underspend for capital expenditure was primarily due to the reprofiling of expenditure, causing payments for specific capital projects to fall into the following financial year. He also noted that prudent management of revenue budgets had contributed to the Council achieving a revenue underspend. He added that Internal Audit would be reviewing the budget monitoring process.

The Committee

Resolved:

To note that the Council's draft Statement of Accounts for 2025/26 has been published on the Council's website.

10. Internal Audit Annual Report and Opinion 2025/26

The Committee considered a report (AB42, previously circulated) on the Chief Internal Auditor's annual assurance opinion on the Council's governance, risk and control framework for 2025/26 and the basis for this opinion.

Rachel Ashley-Caunt, Chief Internal Auditor, reported that a “Good Assurance” could be given over the Council’s governance, risk and control framework for 2025/26.

In reply to Cllr Keith Horgan, the Chief Internal Auditor stated that as a result of the Accounts Receivable audit, the Council had instigated a training programme for officers who process credit notes, instead of an independent review recommended by Internal Audit. The Accounts Payable audit had resulted in a recommendation to enforce separation of duties between the processing and approval of BACs payments. The Director Finance reported that credit notes were processed by a small team and so the Council’s response to the findings of the Accounts Receivable audit was proportional. BACs payments were prepared by a junior officer and then signed off by senior officer. This arrangement had worked well for years and so a further segregation of duties had been seen as unnecessary.

In reply to Stephen Joyce, the Chief Internal Auditor stated that the e-mail for reporting fraud was publicised on the Council’s website, and the Council would promote fraud awareness week in November. Allegations of benefit fraud would be forwarded to the Department of Work and Pensions.

The Committee

Resolved to

Note the Annual Internal Audit Report and Opinion for 2025/26.

Stephen Joyce suggested that in future the Committee should be endorsing reports such as these, instead of simply noting them.

11. Internal Audit Progress Report

The Committee considered a report (AB43, previously circulated) which advised the Committee of the work of Internal Audit completed during the financial year to date, and the progress against the Internal Audit Plan. The Chief Internal Auditor reported that audits were being carried out according to the agreed schedule. She summarised the audits carried out this year.

In reply to Cllr Keith Horgan, the Chief Internal Auditor explained that it had been recommended that a working group be set up to ensure that the list of those eligible for Council Tax discounts, such as those living alone or as students, was regularly reviewed.

In reply to Stephen Joyce, David Riglar of EY stated that whilst the External Auditors did not rely on Internal Audit’s work on bank reconciliation, it was reassuring to note that they had found that bank reconciliations were completed monthly in compliance with the Council’s Financial Procedure Rules.

In reply to Stephen Joyce, the Chief Internal Auditor explained that in 2021/22 a new process had been put in place to ensure that any changes in the bank details

of suppliers were properly checked. This process was audited every two years and would be audited yearly if any concerns were uncovered.

In reply to Stephen Joyce, the Director Finance stated that BACS payments were being checked twice. The recommendation of Internal Audit for a segregation of duties between the submission and approval of BACS payments was being considered.

In reply to Stephen Joyce, the Chief Internal Auditor stated that she was satisfied with the plans that the Council had put in place to reduce carbon emissions along with the forecasting arrangements. Work assessing the actual reduction in carbon emissions had not yet been carried out.

The Committee

Resolved to

Note the progress made by Internal Audit in the delivery of the Audit Plan and the key findings.

12. Audit Committee Annual Report 2025/26

The Committee considered a report (AB44, previously circulated) which invited the Committee to recommend the Audit Committee Annual Report to Council. The Director Finance explained that the report summarised the work of the Committee in 2025/26.

Stephen Joyce suggested that the paragraph summarising the work of the Council in supporting EY in their auditing of the accounts should be amended to transparently reflect the challenges experienced. The Director Finance replied that he would consider amending this but suggested that the recommendations in the report covered this point.

Stephen Joyce suggested that the bullet points listed under the heading “The Committee’s effectiveness” needed to be amended to reflect that training for members of the Committee was required. The Committee agreed that an action on training should be added to the Annual Report.

Cllr Lucius Vellacott proposed and Cllr Keith Horgan seconded the recommendation in the report. A vote was taken and the Committee unanimously

Resolved to

Recommend to Full Council the approval of the Audit Committee Annual Report 2025/26 as set out in Appendix 1 and amended by the Committee.

13. Service Level Agreement for Procurement Services

The Committee considered a report (AB45, previously circulated) which provided an update on the Service Level Agreement for Procurement Services. The

Director Finance explained that the Council had entered into an arrangement with North Northamptonshire Council to deliver its procurement services.

In reply to Stephen Joyce, the Director Finance explained that the report had come to the Committee as the matter had been identified as an area of concern in an Internal Audit report.

In reply to Cllr Lorna Dupré, the Chief Internal Auditor reported that in her experience many other district councils contracted out their procurement services.

The Committee

Resolved to

Note the report.

14. Corporate Risk Management Update

The Director Finance presented this report (AB46, previously circulated) which provided the Committee with the latest Corporate Risk Register.

In reply to Cllr Keith Horgan, the Director Finance agreed that the narrative for the risk on the Council's Medium Term Financial Strategy would be corrected to reflect the fact that the Council regularly had an annual surplus on its General Fund budget.

In reply to Cllr Lorna Dupré, the Director Finance explained that the last review meeting had decided to reduce the likelihood of the impact of the cost of living crisis from 4 to 3 but this matter would be kept under review.

In reply to Cllr Lorna Dupré, the Director Finance agreed to correct the colour of the risk A8, Inability to deliver the Construction of the Bereavement Centre, from amber to red and the colour of risk B3, Inability to balance the Council's Medium Term Financial Strategy, from amber to green.

In reply to Stephen Joyce, the Director Finance explained that Internal Audit had identified that the Council had good controls in place regarding risk C2, loss of data or access to IT due to a breach of information security. The recent annual Disaster Recovery test had successfully demonstrated the Council's ability to recover critical IT services in the result of disruption. This explained why the risk had been reduced from 4 to 3. It was understood that the Council should not be complacent regarding the threat of a cyber-attack.

In reply to Stephen Joyce, the Director Finance explained that many aspects of Climate Change were outside the Council's control and so the risk score for C6 had not been reduced. Stephen Joyce warned that the cost of net zero could become significant.

In reply to Cllr Keith Horgan, the Director Finance explained that the Council was in a strong position financially and this was why the risk for B3, Medium Term Financial Strategy, had been reduced.

Cllr James Lay suggested that the risks had reduced overall due to the controls that had been put in place by the Council.

The Committee

Resolved to

Note the Corporate Risk Register, as set out in Appendix 2.

15. Forward Agenda Plan

The Committee received the Forward Agenda Plan. The Chair asked the Committee to move the meeting scheduled on 1 February 2027 to Tuesday 19 January 2027 to allow the accounts to be signed-off before the deadline of 27 January 2027.

It was resolved:

- (a) That the Forward Agenda Plan be noted.
- (b) That the Committee meeting scheduled for 1 February 2027 be moved to Tuesday 19 January 2027.

The meeting closed at 6:55 pm.

Chair:.....

Date:

TITLE: Annual Governance Statement 2025/26- Final Draft

Committee: Audit Committee

Date: 20 October 2026

Author: Chief Executive

Report number: AB89

Contact officer:

Emma Grima, Chief Executive

Emma.grima@eastcambs.gov.uk, Room 103, The Grange, Ely

Issue

1. To consider the final draft of the Annual Governance Statement (AGS) for 2025/26.

Recommendations

2. Members are requested to approve the final draft of the Annual Governance Statement for 2025/26, as set out in Appendix 1, for final sign off by the Leader of the Council and Chief Executive.

Background/Options

3. The Audit Committee (ref 14 July 2026 Agenda Item 6) received the first draft of the AGS and resolved to instruct the Chief Executive to bring forward the final draft for members consideration following an opportunity for all members of the committee to provide comments and input.
4. The Chief Executive invited members and substitutes of the Committee to feedback comments by 11 September 2026.
5. At the Committee meeting on 14 July 2026 the Chief Executive undertook to review the following statement:

'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.'
6. Upon further review, 3 separate occasions have been identified where the livestream was either disrupted or failed. The affected meetings and explanation are provided below.

Planning Committee- 07/05/2025

The meeting is held in 2 parts during a disruption in the middle. There was a technical issue, the link broke, but it was resolved quickly.

Planning Committee- 04/06/2025

The Officer who was livestreaming the meeting cannot recall the specific reason for the issue that prevented livestreaming but does recall that there was an issue connecting to Zoom (the platform used at the time).

Planning Committee- 02/07/2025

The Officer who was livestreaming the meeting recalls that the stream broke in the meeting after around 3 hours. Unfortunately, it was not possible to fix the issue and as there is no legal requirement to livestream meetings, the meeting continued.

7. In all three incidents a service ticket was not raised with the IT department. When compiling the AGS the question of technical issues was only sent to IT. IT had no service log of technical issue, hence the confirmation that there were no technical issues.
8. The review also identified that the Licensing (statutory) Sub-Committee on 19/05/2025 was not streamed. This was not due to technical issues but staff availability. Since then, more Officers have been trained to run the livestream to avoid a future reoccurrence.
9. In the future, when compiling the AGS the Chief Executive will ensure that assurance is sought from all Officers who livestream meetings, not just the IT department. Further, there is a reminder to all Officers of the need to log a service ticket, even if the issue is resolved in the meeting.
10. The final draft AGS has been amended to reflect this position.

Arguments/Conclusions

11. The Chief Executive received comments/input from two Committee members and presents a final draft to the Committee for approval for sign off by the Leader of Council and Chief Executive.
12. The final draft (Appendix 1) has been revised to take account of the comments received from members. A summary of the comments received is provided in Appendix 2.

Additional Implications Assessment

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 2025/26- Final Draft

Background documents

Audit Committee- 14 July 2026- Agenda Item 6



East Cambridgeshire
District Council

Draft Annual Governance Statement 2025/2026

1. Scope of responsibility

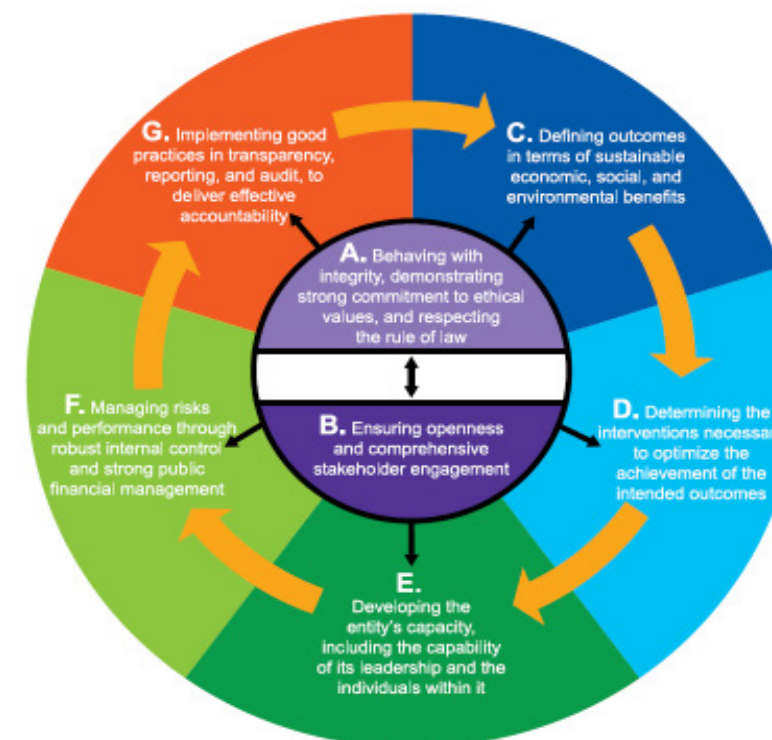
- 1.1. East Cambridgeshire District Council (the council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- 1.2. The council also 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, the 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. 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 Code is included on our website at [Code of Corporate Governance 2016 V4](#).
- 1.5. This statement explains how the 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 the control measures set out in its Code of Corporate Governance during the year.

2. The Governance Framework

- 2.1. The council's governance arrangements comprise systems and processes, as well as the culture and values that underpin them. These arrangements provide an effective framework for ensuring that appropriate controls are in place and enable the council to be accountable to, engage with, and provide leadership for its communities.
- 2.2. The governance arrangements also enable the council to monitor the achievement of its strategic objectives and assess whether these objectives are contributing to the delivery of appropriate, effective and value-for-money services.
- 2.3. 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 the 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.
- 2.4. The governance framework incorporated into this Annual Governance Statement has been in place at the council for the financial year ended the 31 March 2026, and up to the date of the approval of this statement.
- 2.5. 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 2025/2026 and areas of focus for 2026/2027.

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 in Public Life (Nolan Principles). Members are required to maintain a Register of Interests, which is published on our website for transparency. The council has appointed independent persons to assist with the handling of councillor Code of Conduct 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 email inbox is monitored by the 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 council has a formal complaints procedure for members of the public to raise concerns in confidence. 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 Director Legal 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. Councillors have access to similar training, designed specifically for elected members. Contract Procurement Rules training is mandatory for all service leads at least once every 3 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 2026/2027. 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 undertaking a review of the LGR process. The first announcements relating to this review will be at the end of October 2026.

Currently MHCLG have confirmed that elections will now take place May 2027 on the existing boundaries for ECDC. Following the review, if LGR does move forward Shadow elections would be held in May 2028 with new unitaries coming into effect April 2029

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 under Schedule 12A of the Local Government Act 1974. 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 publishes the Constitution, Council and Committee agendas, reports, minutes, decision lists, allowances and Freedom of Information responses. 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.	Most committee meetings in 2025/2026 were streamed live from the Council Chamber via the council's YouTube channel, with recordings available. This has improved accessibility and enabled members of the public to view proceedings remotely. There were some technical issues affecting the streaming and recording of meetings during 2025/2026; however, these were addressed as appropriate. 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, collaborative working 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 to 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 of 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 2025/2026 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. Tailored comms and engagement for the LGR survey and seminars to Parishes, VCSE and businesses. Youth engagement has taken place throughout 2025/2026, including a Youth Fusion event in summer 2025. Budget consultation with Businesses on Business Rates. 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 Levelling-up and Regeneration Act 2023 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 in 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 the council's Corporate Plan which specifies its corporate objectives, strategic priorities and key actions for residents and service users.	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 Each of these themes includes a set of priorities for the year. These priorities are reviewed annually by council during the summer, with actions agreed to support progress towards the wider strategic goals. 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 act 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. Council approved the Corporate Plan actions in July 2025.

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. 2025/2026 performance reporting against Service Delivery Plans was reported to the respective Policy 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

Following the update to the Equality and Human Rights Commission (EHRC) Code of Practice in August 2026, Human Resources will review all relevant council policies to ensure they remain up to date and aligned with the revised requirements.

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 Vapes Act 2026, which received Royal Assent in April 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 2025/2026, 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 two 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. Feedback 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 to 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 Planning Performance Agreements 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.

The council will consider the implementation of the National Delegation Scheme on 15 October 2026 which will be reflected in the council's Constitution and training for Members will be provided.

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.	
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.	The council has a Chief Financial Officer (CFO), who also holds the statutory Section 151 Officer role, with responsibility for the proper administration of the Council's financial affairs. Financial management is supported by Financial Regulations, procedures and guidance, which set out budget holder responsibilities, alongside regular budget monitoring, financial advice and training for budget holders. During 2025/2026, changes to the Finance function included the appointment of a new Section 151 Officer and a Principal Accountant. The Principal Accountant role strengthens oversight of the year-end Statement of Accounts process and provides additional supervision of budget monitoring, strengthening the capacity and resilience of the Finance function.

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. 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. Statutory Officers are satisfied that the Council is compliant and that no issues or changes were identified other than those already mentioned in the 2026/2027 development sections.
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 2025/2026. 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 the 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.	New Chief Executive appointed in November 2025.

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.	A Member induction and training programme is in place to support Members in carrying out their roles and responsibilities effectively. Members are required to undertake specific training before performing certain duties, including planning and licensing functions. Annual Data Protection training is available to Members. Members of the Audit Committee will undertake relevant training during 2026/2027. Additional Member seminars are arranged throughout the year to provide training and guidance on 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 2026, Council Budget • February 2026, LGR update • May 2026, Planning Regs
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.	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. 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. Health and Safety codes of practice made available to all staff on the Intranet. Flexible retirement policy in place.	The staff training budget has been increased in 2026, in preparation for Local Government Reorganisation. Every department now required to have a Health and Safety representative attend the quarterly working group. 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.

Key element	How the council achieves this	Development in 2025/2026
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. The council continues to strengthen its cyber security, ICT resilience and disaster recovery arrangements. This includes regular cyber security and GDPR awareness training, backup and restoration testing, disaster recovery and ransom-ware exercises, enhanced monitoring and incident response arrangements, and ongoing work to strengthen system resilience. Internal Audit has also provided assurance over cyber security and disaster recovery arrangements. Improvements to the council's digital infrastructure, including the new intranet and staff directory, Microsoft 365 and Copilot, continue to support staff and effective service delivery.	Microsoft Copilot has been introduced to support the analysis of data, preparation of reports, production of meeting minutes, and project planning. Its use is governed by the council's AI Acceptable Use Protocol, which provides guidance on the appropriate and responsible use of AI within the council. 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. Building Control moving to paperless. Introduction of new website and intranet in 2025/2026. Open Digital Project - using GIS to support planning application process and access to information. Local Land Charges now fully digital.

Focus and further development for 2026/2027

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

Moving away from on-premise shared drives to cloud.

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. Audit Committee receives regular risk updates. 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. Where appropriate, post-incident reviews are undertaken to identify improvements to controls and inform future risk assessments. 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 Head of Internal Audit. 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.	Development of new ECSS contract and KPI’s.

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.	The Audit Committee undertook a self-assessment against the CIPFA guidance, the findings of which were referenced in the Annual Report considered by the Audit Committee in July 2026. An annual report to council, reflecting on the work of the Audit Committee, was produced for 2025/2026 and will be considered by council in October 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 audits of the 2023/2024 and 2024/2025 accounts were completed by Ernst and Young LLP (EY), with disclaimed audit opinions issued. EY identified significant weaknesses in the Council's accounts preparation process, which were reported through the audit findings and as a governance issue. In response, the Finance function has been strengthened, with improvements to the accounts preparation, review and quality assurance processes. Further work to address EY recommendations and strengthen the year-end accounts process will continue in 2026/2027.
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 for 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.	During 2025/2026, 95% of agreed actions arising from Internal Audit reports due for implementation were completed. These included measures to strengthen financial controls and enhance processes for the identification and management of risk. 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 'generally 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.

5. Review of effectiveness

- 5.1. 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 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 the 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 was 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 2024/2025 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 Chief Internal Auditor also noted, 'For the audits completed by the Internal Audit service in 2024/2025, 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, 73% of opinions were of 'Substantial' or 'Good'; and 'Of the agreed management actions due for implementation during 2024/2025, 96% had been completed during the year.'

7.) External audit

Under the Government's local public audit regime, the Public Sector Audit Appointments Limited (PSAA) awarded contracts for work previously carried out by the Audit Commission's appointed auditors. As a result, Ernst & Young (EY) were appointed as the external auditors for East Cambridgeshire District Council for the period from 1 April 2023 to 31 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 work for the council. The report concluded that no significant weaknesses were identified in the council's arrangements during the year. EY concluded 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 that the council's financial statements were published on time, meeting the statutory deadline of 30 June 2025, 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 on the council's 2024/25 financial statements. This was issued in the context of the wider national local government audit backlog and the statutory backstop arrangements introduced to support the recovery of the local audit system. In the case of the council, the time available to complete the audit and the evidence required meant that EY were unable to complete sufficient audit procedures to support an unmodified opinion.

EY also identified a number of recommendations to further strengthen the council's financial reporting arrangements, including working papers, technical capacity and expertise, and audit communication and responsiveness. These recommendations are being addressed through the council's improvement actions and are set out in Section 6 of this Annual Governance Statement.

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 issue, 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 2023/2024 and 2024/2025 financial statements resulted in Disclaimer of Opinions. These should be considered in the context of the wider national local government audit backlog and the statutory backstop arrangements. The time available to complete the audits, together with the evidence required to support the audit work, meant that EY were unable to complete sufficient audit procedures to support unmodified opinions.

The council has responded to the recommendations arising from the audits by strengthening finance team capacity and expertise, improving the preparation and quality of working papers, strengthening group accounting and valuation processes, reviewing opening balances and associated risks, and correcting and improving relevant financial reporting processes. The council is also working to ensure that all required processes and supporting evidence are completed in a timely manner to support the 2025/2026 audit and future audits.

Based on the work completed and the actions being taken, the council can take assurance that its governance arrangements are fit for purpose and that appropriate action is being taken to address the areas identified through the external audit process.

The council has put into place an internal programme of work to manage its readiness for Local Government Reorganisation. This programme is now paused until the Government review. Externally the council plays an active role in the Chief Executives’ LGR Board and wider regional governance arrangements.

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

Summary of Member comments and Chief Executive response

Please note that comments/proposed amendments and factual/typographical observations were received from Councillor Vellacott together with Stephen Joyce (then) lay member on Audit Committee. The table below summarises substantive comments and the appropriate references to amendments made by the Chief Executive. Typographic suggestions are not set out below but have been incorporated.

Issue	Response
P6 Whistleblowing should reflect how people who are not employees may raise concerns.	This is now covered in the narrative relating to how the public can raise concerns through the complaints procedure as 'Whistleblowing' is for staff. Amendment made (p6)
P6 GDPR training should also reflecting training for Members.	Amendment made (p6).
P6, Principle A, development in 2025/26 column It is not obvious how the comment on the Annual Infrastructure Funding Statement relates to the narrative in the middle column?	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. Demonstrates compliance with regulations and government reporting requirements. No changes to final draft AGS.
P6, Principle A, development in 2026/27	Amendment made (p6).

Reflect the delays to the LGR announcement	
P8, Principle B, "Documenting a commitment to openness and acting in the public interest" Consider including more to the statement 'acting in the public interest'?	This has been reviewed. The narrative captures the intention of the statement. No changes to final draft AGS.
p10, Principle B, clear communications Consider including any communications with the business community and Voluntary Organisations?	Amendment made (p10).
P14, Principle C, vision/planning What is the Council's "vision"?	Amendment made (p14)
P14, Principle C, re. MTFS and Climate & Nature Strategy Is the Chief Executive satisfied that the actions in the Climate & Nature Strategy are fully costed and incorporated into MTFS?	The Chief Executive is satisfied that the budget in the MTFS is sufficient to meet the actions in the strategy. No changes to final draft AGS.
P14/16 Principle C, vision/planning Consider referencing the Corporate Plan for development in 2026/27.	The Corporate Plan does not expire until July 2027. The next Corporate Plan will be considered by Council following the May 2027 election. No changes to final draft AGS.
P18, 2nd row re performance management Include reference to Member oversight.	This is included elsewhere. The respective policy committees approve the Service Delivery Plans. No changes to final draft AGS.
P18, 2nd row re 'robust financial management' Consider whether statement reflects the continuous annual underspends which could be a concern.	The budgeting cycle reflects the Council's longstanding practice. No changes to final draft AGS.
P20, financial management	Amendment made (p20).

Consider including narrative about guidance for budget holders / financial regulations & procedures / training for budget holders? Consider including new S151 Officer appointment and other changes to the Finance team.	
P22, first row, development column Consider adding conclusion of Statutory Officer self-assessment	Amendment made (p22).
P26, first row How does the Vulnerable Community Strategy being updated in 2025/26 relate to workforce health & wellbeing?	Not directly relevant, amendment made (p26).
P26, second row Are there other services that should be included?	Amendments made (p26)
P28, risk management Does the Council carry out a lessons learned review?	Amendment made (p28).
P32, 1st row Reflect the Audit Committee self-assessment.	Amendment made (p32).
P34 Principle G Reflect the EY identified weaknesses, recommendations and the actions being taken to address these.	Amendment made (p34).
P6 Does Council receive reports on Member Code of Conduct complaints?	No reporting is carried out on this matter. No changes to final draft AGS.
P14 Reference that Corporate Plan actions are reviewed annually with new actions agreed by Council for the year ahead.	Amendment made (p14).
P14 The government agenda includes a devolution agenda, should the AGS have more detail?	Not enough is known for more specific reference in the AGS.

	No changes made to final draft AGS.
P18 Consider including changes arising from Planning and Infrastructure Bill	Amendments made (p18)
P20 Consider including reference to briefings with Chair of Audit Committee	The comment is noted. The narrative relates to strategic briefings. All Committee Chair's have a briefing with the Lead Officer. This section is not intended to include those references. No changes made to final draft AGS.
P22 Clarification on what is meant by the statement 'Consultations of proposed policies which have significant legal, financial and ethical implications'.	Statement added in error. Now removed.
P24 Include reference to Data Protection training and commitment to Audit Committee training.	Amendment made (p24).
P26 Consider expanding on how Co pilot will be used Consider expanding on Cyber Security and reference to new intranet Is the AI Acceptable Use a Policy, if so who approved it?	Amendments made (p26).
P28 Include reference to Audit Committee receiving Corporate Risk Register.	Amendment made (p28).
P28 Consider further detail to the statement 'The council's S151 Officer is satisfied that there is compliance with the principles in the Financial Management Code.'	Noted and reviewed. No amendments made to final draft AGS.
P30 Reference the new ECSS contract.	Amendment made (p30).

P32 Consider mention of IT processes including disaster recovery.	Comment notes. This is referenced elsewhere in the AGS. No changes made to the final draft AGS.
P36 Consider including the action plan recommended in the Audit Committee Annual Report for 2025/26.	Amendment made (p36).
P40 Statement should reflect the national issue and needs to refer to other sections of the AGS	Amendment made (p40).
P42 Consider including information on the actions taken.	Amendment made (p42).
P42 Consider inclusion of LGR risks and how these will be managed.	Amendment made (p42).

From Reset to Recovery

East Cambridgeshire District Council
Audit Committee briefing

August 2026



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01 | Reset and sector context

The breakdown of local audit in English local government is widely seen as the result of a cumulative set of structural reforms and system pressures, rather than a single failure point. A perfect storm of conditions led to widespread delay in audit completion.

The structural break: lack of system leader	Fragility in capacity exposed by the pandemic	Financial reporting system unfit for purpose
▪ In 2015, the Audit Commission was abolished which had previously provided a centralised, integrated system for local audit, inspection and oversight. This redesign led to the loss of a single system leader. ▪ A lack of consensus between government departments, regulators, standard setters and other stakeholders about the scope of local government financial reporting and audit. Changes to the accounting framework were difficult to implement, with even relatively narrow reforms taking significant time to secure agreement between government bodies. ▪ This led to increasing audit requirements without a corresponding reassessment of whether the reporting framework remains useful for users of financial statements.	▪ Local government finance teams have experienced underinvestment in capacity and capability. Many bodies struggle to recruit and retain qualified finance staff and increasingly rely on temporary resources, creating high turnover and loss of organisational knowledge. ▪ There are weaknesses in finance skills, financial reporting capability and audit readiness across some bodies, including difficulties keeping pace with increasingly data-driven audit approaches. ▪ Public sector audit became less attractive because of compressed timetables, regulatory scrutiny and increasing compliance expectations. This led to higher attrition and recruitment difficulties. ▪ There has been no workforce strategy for local audit despite sector support, suggesting an insufficiently coordinated response to emerging workforce risks.	▪ Financial reporting and decision-making in local government has become significantly more complex, driven by commercialisation, investment activities and other developments in local authority business models. ▪ There is a mismatch between local bodies' concerns about the volume of audit work and regulators' expectations for ever-increasing audit procedures and evidence. The result is a framework that continuously expands rather than being tailored to users' needs. ▪ Meaningful simplification of financial reporting and audit has proved difficult. ▪ Outdated digital capability in some bodies can also be a factor, with systems that are unable to support the increasingly data-driven nature of modern audit.

01 | Reset and sector context continued

The challenge has shifted: from restoring timeliness to rebuilding assurance

While there were improvements in the level of unmodified and qualified opinions, key outcomes in 2024/25 included:

- Widespread disclaimed opinions due to limited audit scope
- Continuing gaps in audit evidence and historic assurance remain

As a result, audit opinions no longer imply full assurance for local bodies or key stakeholders.

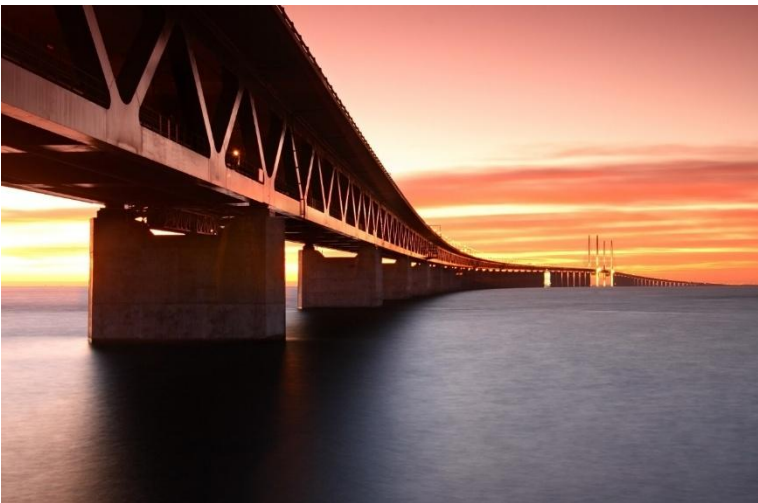
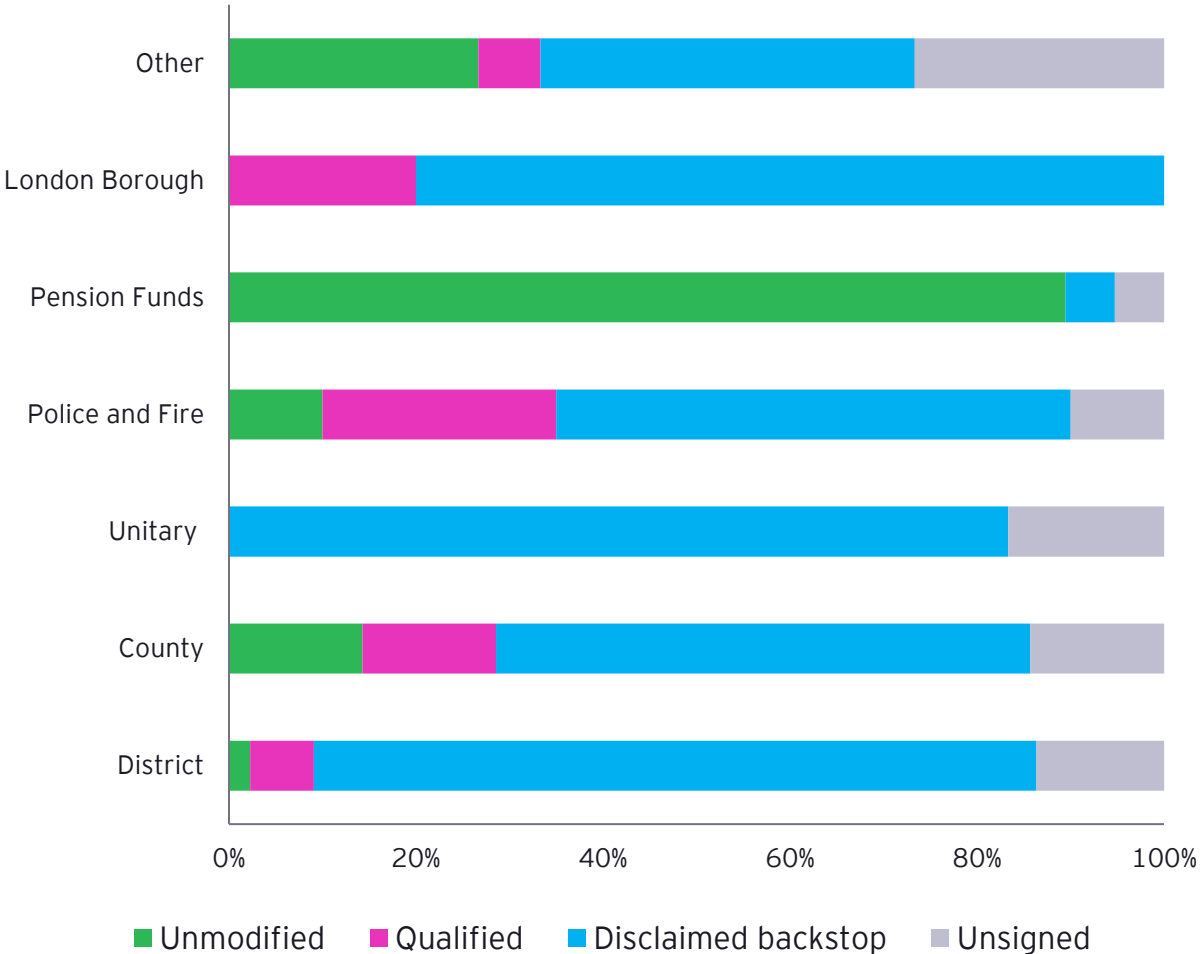
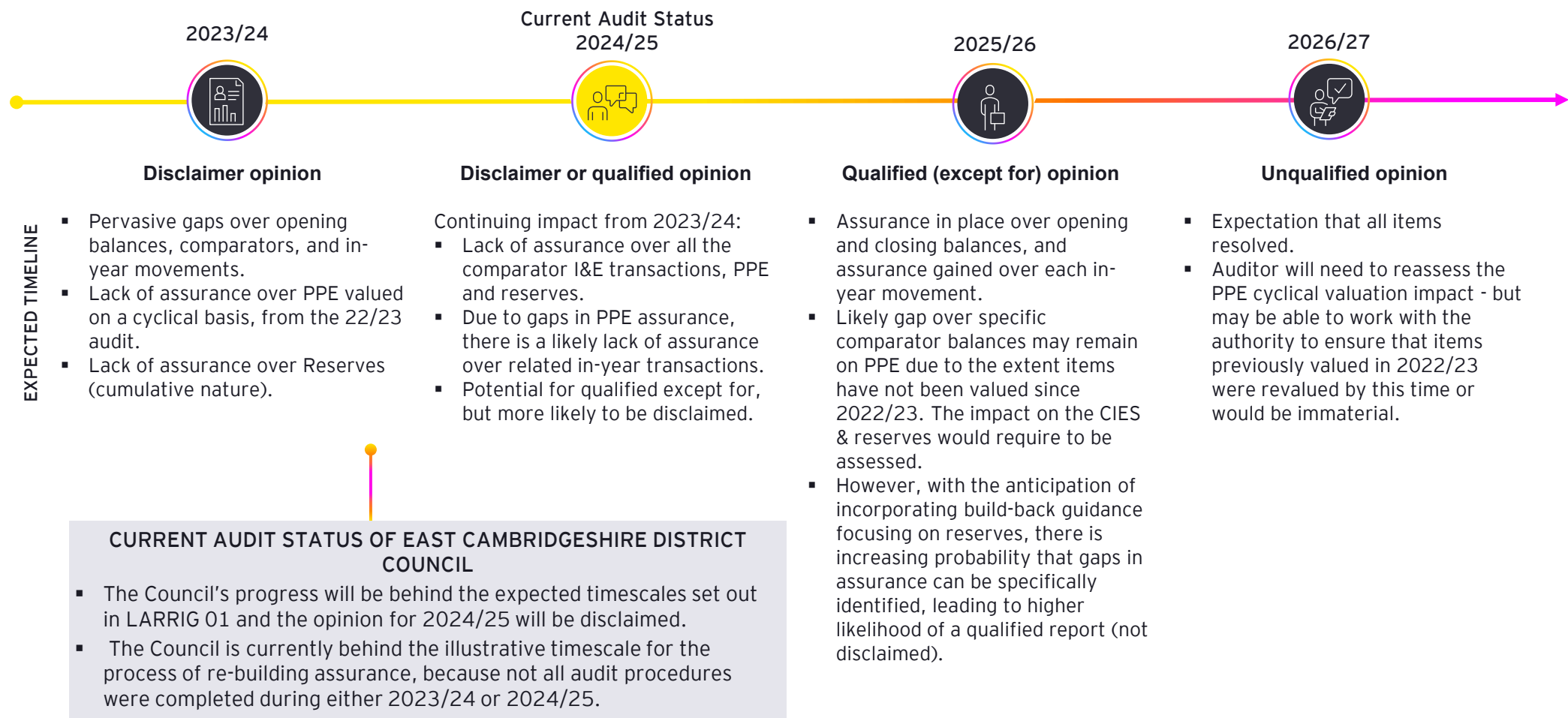


Figure 1
Most EY local government body audit opinions continued to be disclaimed in 2024/25



01 | Reset and sector context continued

Audit committees should judge progress by assurance recovery trajectory



Extract from Appendix A in the 2024/25 Audit Results Report.

02 | Monitoring progress: the summary of assurances

For most local government body audits, there are cumulative gaps in assurances brought forward

Our audit reporting across our local government portfolio highlights areas with continuing assurance gaps.

Across local government, the gaps most commonly impact:

- Reserves
- Property, Plant and Equipment; and
- Income & expenditure.

Assurance is rebuilt incrementally over time. A simplified buildback trajectory is:

Year 1:

Disclaimer (or disclaimer with emphasis on remedial work)

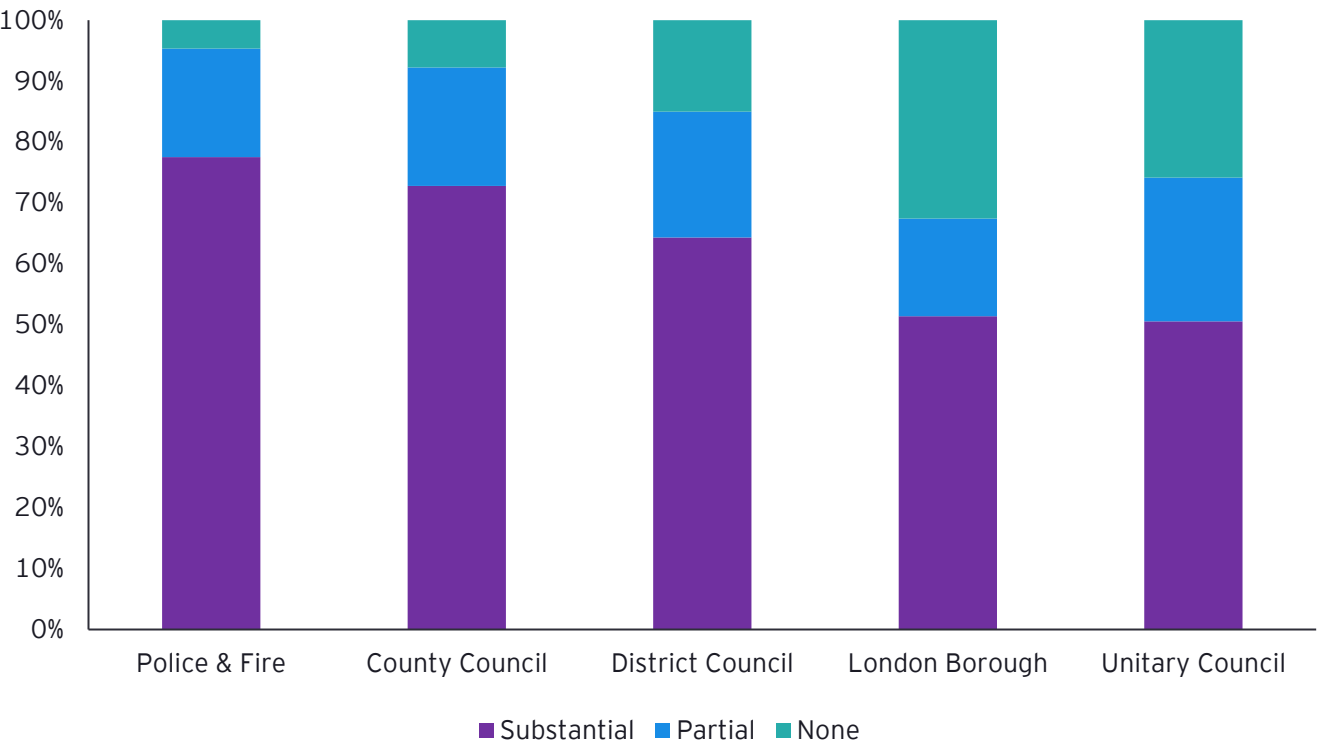
Year 2:

Qualified opinion(e.g., limitation of scope confined to specific balances)

Year 3:

Unmodified opinion

Figure 2
We were more likely to complete full audit procedures for less complex bodies, including Police & Fire bodies, but this was not consistent



02 | Monitoring progress: the summary of assurances continued

Significant gaps remain in assurance across reserves

Why does this matter?

- Reserves are a critical lens on sustainability and risk
- Misclassification can misstate financial capacity and resilience.



Figure 3

In many local government bodies, reserves are analysed into two categories: usable and unusable and are inherently more complex.

In normal circumstances, auditors can audit any movements in-year, and rely on the prior year audited closing balance as the opening balance. After a disclaimer opinion, the opening balance was never audited. Instead of understanding what changed this year, the auditor has to ask whether the entire balance, built up over several years, is accurate.

Usable reserves

- Result from the body's activities.
- Can be spent in the future and therefore are the key focus of assessments of financial resilience.
- Include:
 - General Fund
 - Earmarked reserves
 - Capital receipts reserve.

Unusable reserves

- Derive from accounting adjustments such as revaluations (for assets that typically cannot be sold) and pension valuation movements.
- Cannot be used.
- Include:
 - Pensions reserve
 - Revaluation reserve
 - Capital adjustment account.

If movements are incorrectly recorded balances may appear in the General Fund when they are not actually available.

Elected members may therefore make decisions on the assumption of flexibility that isn't there.

02 | Monitoring progress: the summary of assurances continued

Our assessment of audit readiness informed our reporting to all committees

Our ability to complete the audit is reliant on the timely development of well-supported accounting judgements, the provision of accurate and relevant supporting evidence, access to the finance team, and management’s responsiveness to issues identified during the audit.

In this context, we assessed audit preparedness for each local government body against eight criteria (Figure 4) and reported the outcomes to Those Charged with Governance within the Audit Results (ISA 260) Report for each body.

In 2024/25 we found that:

- 87% of local government bodies met earlier timescales for the production of the financial statements.
- However, quality and completeness - not speed - increasingly constrained audit progress.

Figure 4
Most local government bodies were well prepared for audit and met deadlines for the delivery of draft financial statements that were of a good quality



03 | How do you compare to peers?

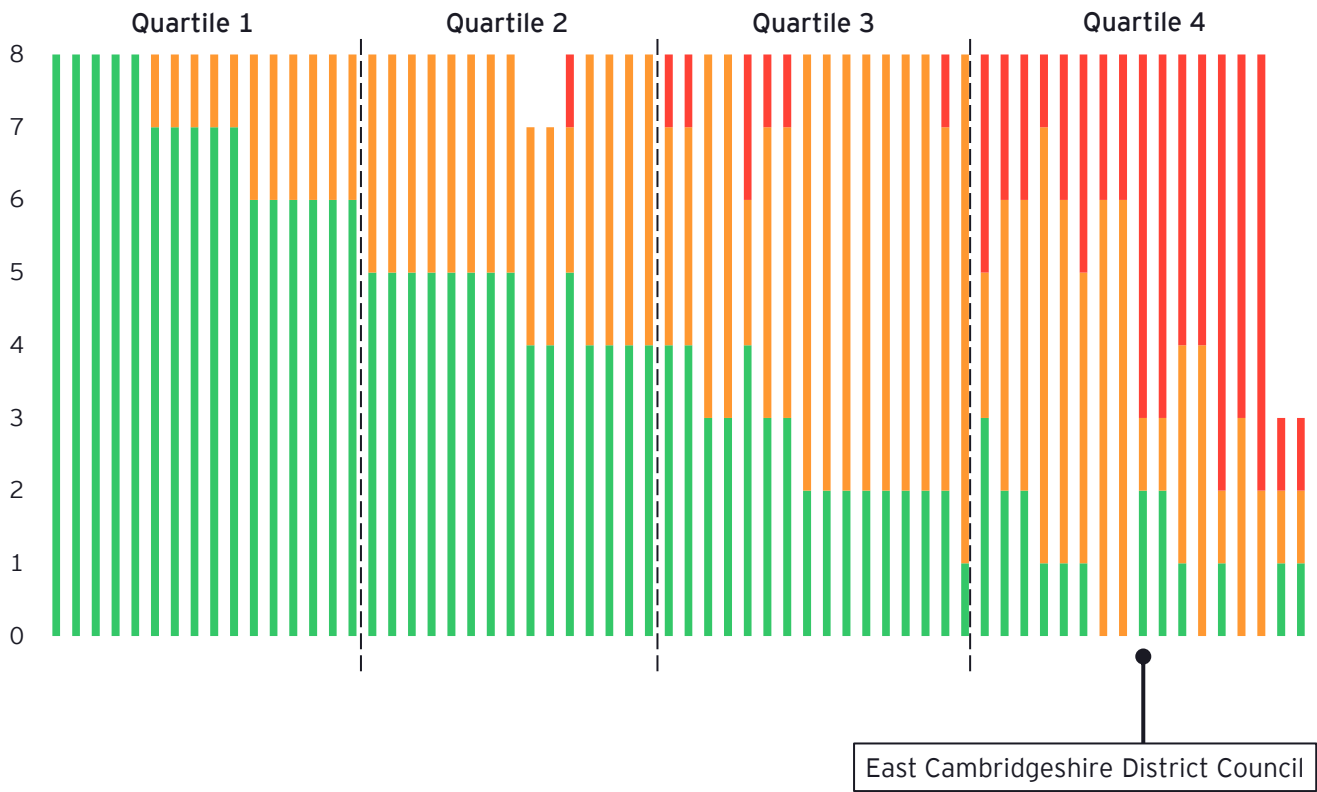
Our assessment of audit readiness informed our reporting to all committees

Bodies that were able to produce well-supported draft financial statements and respond effectively to audit queries are significantly more likely to progress from disclaimer to qualified opinions.

Where readiness remained weak, auditors were often unable to complete sufficient planned procedures, regardless of the body's complexity or size.

- Arrangements were effective
- Improvements required
- Arrangements were ineffective

Figure 5
Where the opinion remained on disclaimed or qualified, we found that we could split bodies into 4 main groups, with advanced, well-prepared bodies in Quartile 1.



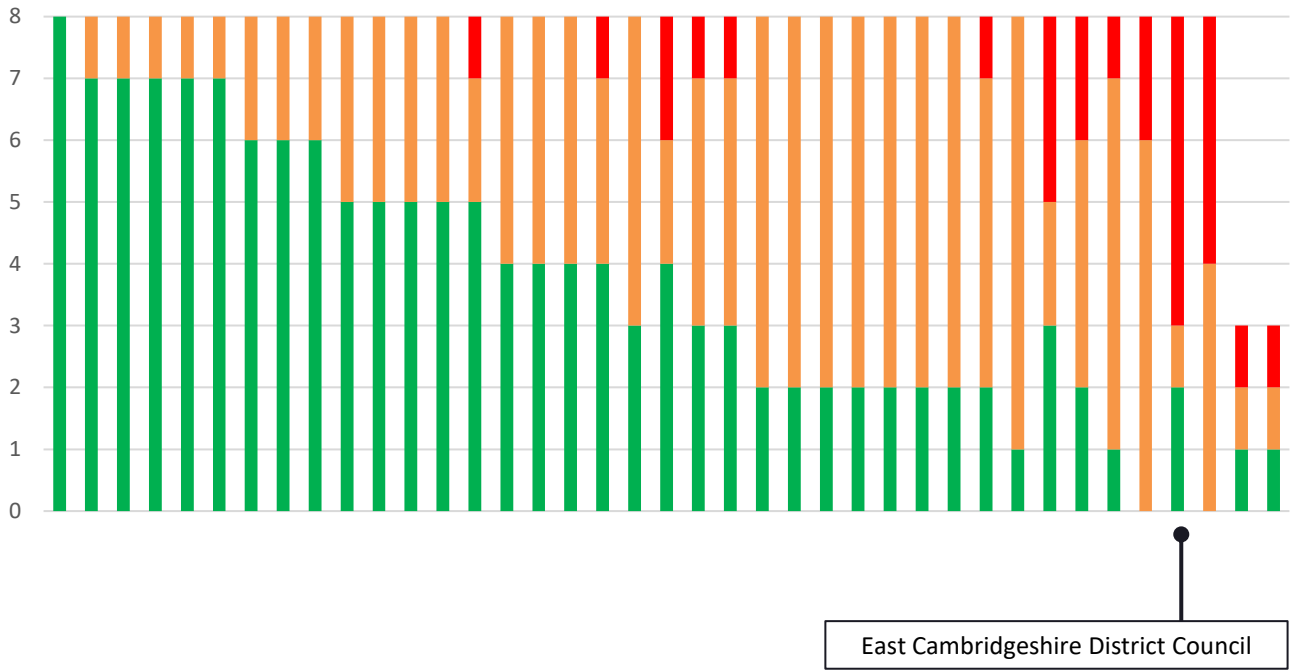
03 | How do you compare to peers? Continued

Our assessment of audit readiness: District Councils

- Key factors include:
- Timely draft financial statements;
 - Quality working papers;
 - Robust evidence including from management specialists; and
 - A responsive finance team.

- Arrangements were effective
- Improvements required
- Arrangements were ineffective

Figure 6
How the council compares to similar bodies (district councils) that met the backstop deadline



03 | How do you compare to peers? (cont'd)

Summary of assurances: District Councils

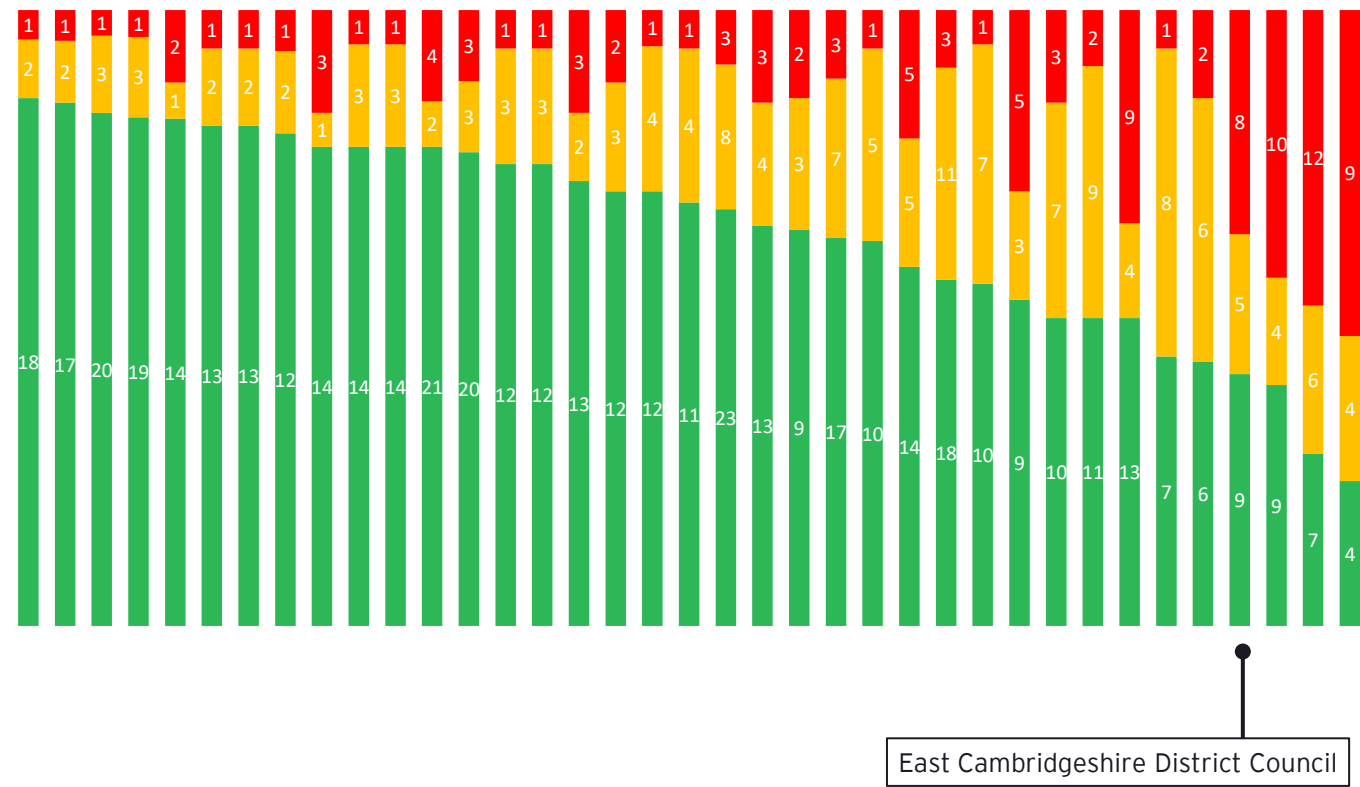
There were two district councils where no assurance could be provided.

Assurance gaps can compound over time, leading to an increased risk of disclaimers in years beyond the timelines set by the National Audit Office.



Figure 7 How the council compares to other district councils that met the backstop deadline

2024/25 summary of assurances



03 | How do you compare to peers? (cont'd)

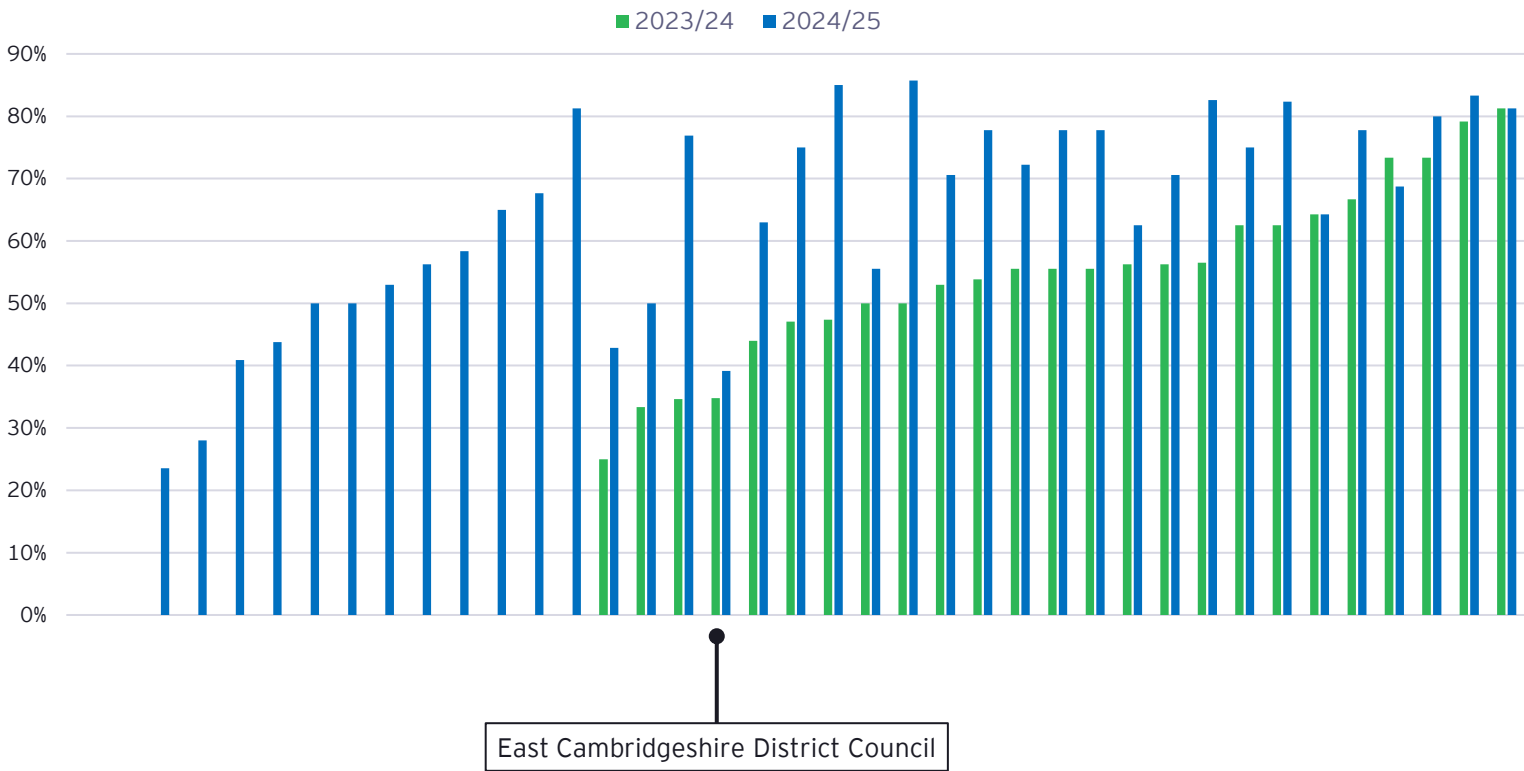
Summary of assurances: District Councils

Assurance gaps can compound over time, leading to an increased risk of disclaimers in years beyond the timelines set by the National Audit Office.

We reported on improved assurance between 2023/24 and 2024/25 for most audited bodies but gaps in assurance remain, particularly for reserve and property, plant and equipment balances.

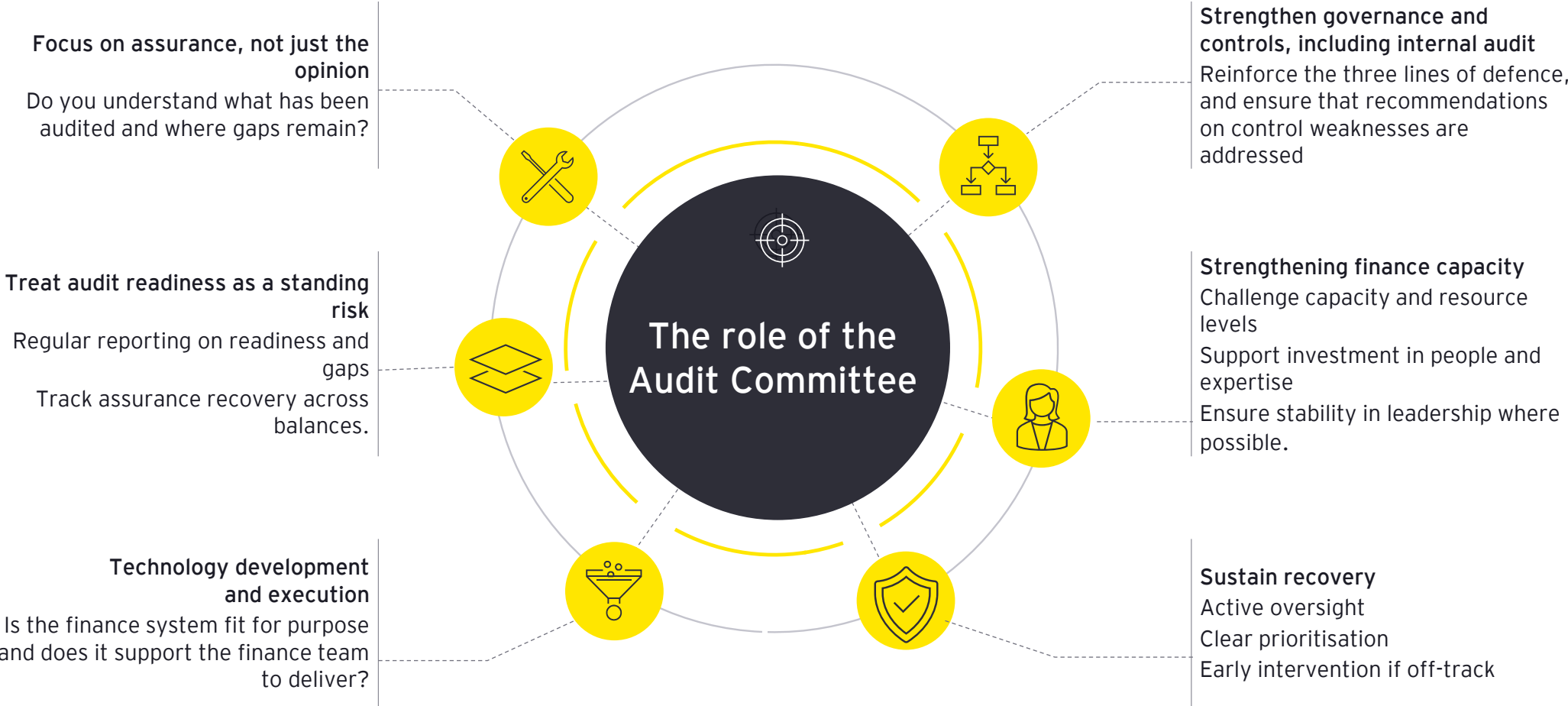
Figure 8 How the council compares to other district councils that met the backstop deadline

Changes in assurance since 2023/24



04 | Practical actions for the committee to consider

Figure 9
The next phase of recovery is in rebuilding assurance. The committee’s role is critical in driving readiness and overseeing governance to support the recovery trajectory



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East Cambridgeshire District Council

Rebuilding audit assurance: the path to an
unqualified opinion

Year ended 31 March 2026

12 August 2026



12 August 2026



Audit Committee
East Cambridgeshire District Council
The Grange
Nutholt Lane
Ely
CB7 4EE

Dear Audit Committee

Rebuilding audit assurance – risk assessment update

We attach our risk assessment update for consideration at the forthcoming meeting of the Audit Committee.

The purpose of this paper is to provide the Audit Committee with further detail on the risk assessment procedures performed in respect of opening reserve balances. These procedures have been undertaken in response to the prior-year disclaimed audit opinions and in accordance with the National Audit Office's Local Authority Reset and Recovery Implementation guidance.

This update should be read in conjunction with our Audit Planning Report for the 2025/26 audit, issued on 30 April 2026.

We welcome the opportunity to discuss this report with you at the meeting on 20 October 2026, and to understand whether there are any additional matters which the committee considers may influence our risk assessment.

Yours faithfully

David Riglar

For and on behalf of Ernst & Young LLP

Enc

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2 Scope of our risk assessment

3 Summary of risk assessment findings

4 Implications for the 2025/26 audit

5 Appendix A

Public Sector Audit Appointments Ltd (PSAA) issued the 'Statement of responsibilities of auditors and audited bodies'. It is available from the PSAA website (<https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas. The 'Terms of Appointment and further guidance (updated October 2025)' issued by the PSAA (<https://www.psaa.co.uk/managing-audit-quality/terms-of-appointment/terms-of-appointment-and-further-guidance-1-july-2021/>) sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice 2024 (the NAO Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit Committee and management of East Cambridgeshire District Council. Our work has been undertaken so that we might state to the Audit Committee and management of East Cambridgeshire District Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit Committee and management of East Cambridgeshire District Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

Management agree that they remain solely responsible for management decisions relating to the audited body and that we do not, and cannot, act in a managerial capacity nor can we make business decisions for management/the audited body in connection with the services or otherwise, nor advise or recommend that any accounting policy, treatment or reporting is suitable for any particular purpose or specific facts, and management agrees that they will not rely on us as having done so.

If you wish to discuss how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may raise the matter with the Key Audit Partner responsible for services provided under our appointment by PSAA Ltd. Alternatively, you may contact Stephen Reid, UK Head of Government and Public Sector Audit, at 1 More London Place, London SE1 2AF. We will consider any concerns carefully and promptly and will make every effort to explain our position clearly. If your concerns remain unresolved, you may escalate the matter to Anna Anthony, UK&I Regional Managing Partner, at 1 More London Place, London SE1 2AF. If you remain dissatisfied, you may refer the matter to PSAA Ltd or raise it with our professional institute; further details are available on request.

Rebuilding audit assurance – risk assessment update

1. Background and regulatory context

Appendix A explains the expected timeline to full assurance set out in the National Audit Office's (NAO) Local Authority Reset and Recovery Implementation Guidance (LARRIG 01), together with our assessment of East Cambridgeshire District Council's (the Council's) current position. During 2023/24 and 2024/25, the focus of the rebuild process has been on the Council's "natural" rebuild, through completing planned audit procedures for each respective audit year.

As set out in Appendix A, planned procedures could not be completed in either 2023/24 or 2024/25. Therefore, while the "natural" rebuild process has commenced, it has not yet significantly rebuilt assurance.

LARRIG 06, issued by the NAO, requires auditors to perform specific risk assessment procedures over reserves. The guidance recognises that reserves balances may contain the cumulative effect of unaudited transactions over more than one financial year and may therefore represent an area of accumulated audit risk. The purpose of this risk assessment is to identify the likelihood and potential magnitude of risks of material misstatement within reserves balances, together with management's readiness to support the historical rebuild process. This assessment informs audit planning and any potential rebuild of assurance over future audit cycles as well as completion of the capacity and risk assessment return that we are required to make to the Ministry for Housing, Communities and Local Government ('MHCLG').

2. Scope of our risk assessment procedures

Our risk assessment covered all reserves disclosed in the Council's Movement in Reserves Statement, including both usable and unusable reserves. In performing the assessment, we considered:

- the nature and purpose of individual reserves;
- the scale and significance of movements during periods subject to disclaimer;
- susceptibility to material misstatement, including the risks of fraud and management bias;
- the wider governance and control environment of the Council's financial reporting processes; and
- risks associated with the classification of reserves between usable and unusable categories.

The assessment did not seek to re-establish assurance over historic balances. Its objective was to determine whether, where and when, such assurance could be rebuilt over time.

Rebuilding audit assurance – risk assessment update

3. Summary of risk assessment findings

The risk assessment process identified that the risk of material misstatement is not uniform across reserves. Certain reserves were assessed as presenting a higher risk of material misstatement, reflecting factors including:

- the size of balances and the extent of movements during periods subject to disclaimed opinions;
- the degree of judgement required in determining the appropriate accounting treatment; and
- reliance on complex statutory and capital accounting arrangements.

Other reserves were assessed as lower risk, with characteristics that may support a more targeted and proportionate rebuilding of assurance, without undermining audit quality, subject to the availability of sufficient appropriate audit evidence. This assessment underpins the differentiation in audit response which will be adopted across reserves and is intended to promote a consistent and proportionate approach.

The following dashboard summarises our assessment of the risk of material misstatement by reserve following the disclaimers of opinion.

Reserve	Risk Assessment	Rationale for Risk Assessment
Usable Reserves		
General Fund balance	Significant risk	The General Fund closing balance is material and represents the cumulative effect of the Council's revenue and expenditure decisions over a number of financial periods. It is also a key indicator of financial resilience. While a good level of assurance was obtained in 2023/24, no audit procedures were performed in 2022/23 due to the disclaimer of opinion, and planned audit procedures were not completed in 2024/25. As a result, audit assurance has not been obtained over all relevant balances and movements that affect the opening balance for the current audit year. In addition, recommendations were raised in 2021/22 and 2023/24 for the Council to review its Minimum Revenue Provision (MRP) policy to ensure compliance with updated guidance. As no audit work was performed over MRP in 2022/23 or 2024/25, we have not obtained assurance that these matters have been appropriately addressed. There is therefore a risk that misstatements arising in prior periods may not have been identified or corrected and could continue to be reflected in the opening balance for the current audit year. We have therefore identified a significant risk due to the sensitivity of the balance and the potential for management bias in determining the level of available usable reserves, particularly given the material unaudited movements recorded in periods where audit opinions were disclaimed.
Earmarked reserves	Higher inherent risk	Earmarked reserves represent amounts set aside by the Council for specific purposes and reflect management decisions regarding the allocation and intended use of available resources. The accounting treatment is generally straightforward and involves limited judgement; however, the underlying General Fund transactions from which these reserves are funded may involve greater complexity and judgement. During audit procedures performed in 2023/24, a misstatement was identified in the 2022/23 earmarked reserves balance. Planned audit procedures over the 2022/23 balance were not completed due to the backstop arrangements and, consequently, no audit assurance was obtained over that balance at that time. Although the identified misstatement was not material, it demonstrates that errors existed within the unaudited 2022/23 balance. Given the lack of audit assurance over that period, there remains a risk that other misstatements may not have been identified or corrected and may therefore continue to affect the opening balance for the current audit year. On this basis, we have increased the risk assessment to higher inherent risk.

Rebuilding audit assurance – risk assessment update

3. Summary of risk assessment findings (cont'd)

Reserve	Risk Assessment	Rationale for Risk Assessment
Capital grants unapplied account	Significant risk	The Capital Grants Unapplied Account represents capital grants that have been recognised as income but have not yet been applied to finance capital expenditure. Judgement is required in determining whether the relevant grant conditions have been met and, therefore, whether income should be recognised. The complexity of the balance arises primarily from the timing of income recognition and the need to ensure compliance with the conditions attached to individual grants. During our 2023/24 audit work, we identified a historic accounting error relating to the classification of a grant, which resulted in a prior-period adjustment affecting reserves and creditor balances. Although this matter was identified through 2023/24 audit procedures, it related to balances previously reported in 2022/23, a year for which a disclaimer of opinion was issued. This demonstrates that errors may exist within historic grant-related balances that were not subject to sufficient audit procedures and may not otherwise have been identified. As no audit procedures were performed over the Capital Grants Unapplied Account in the years where disclaimer opinions were issued, audit assurance has not been obtained over the opening balance. There is therefore a risk that misstatements arising in prior periods may not have been identified or corrected and could continue to be reflected in the opening balance for the current audit year. Accordingly, we have assessed this area as a significant risk due to the judgement involved in determining the appropriate accounting treatment for grant income, the lack of assurance over historic balances, and the identification of a prior-period adjustment affecting a year subject to a disclaimer of opinion.
Capital receipts reserve	Lower inherent risk	Lower inherent risk due to the nature of the reserve and the absence of any entity-specific risk factors that would increase the assessed level of inherent risk.
Unusable Reserves		
Revaluation reserve	Significant risk	The Revaluation Reserve is material and represents accumulated unrealised gains arising from increases in the value of the Council's property, plant and equipment and intangible assets. The reserve is reduced where assets are revalued downwards or impaired, where gains are consumed through depreciation, or where assets are disposed of and the associated gains are realised. Changes identified within the fixed asset register in 2021/22, together with errors identified through audit testing, indicate weaknesses in controls over asset data and reserve movements. We have assessed the Revaluation Reserve as a significant risk due to its reliance on valuation judgements and the technical accounting adjustments arising from property, plant and equipment movements. The existence of material balances requiring further audit procedures increases this risk, notwithstanding the mitigation provided by the Council's use of external valuers. There is therefore a risk that misstatements affecting asset values and related reserve movements may not have been identified or corrected and could continue to be reflected in the opening balance for the current audit year.

Rebuilding audit assurance – risk assessment update

3. Summary of risk assessment findings (cont'd)

Reserve	Risk Assessment	Rationale for Risk Assessment
Capital adjustment account	Significant risk	The Capital Adjustment Account (CAA) balance is material. The CAA absorbs the timing differences between the accounting treatment for non-current assets and the statutory funding arrangements for capital expenditure. It records adjustments relating to depreciation, impairment, revaluation movements, disposals, capital financing and other statutory capital adjustments. The CAA interacts directly with the General Fund and requires precise application of capital finance regulations, The Capital Adjustment Account is assessed as a significant risk due to its high level of technical complexity and volume of statutory and accounting adjustments arising from capital transactions, asset valuations, depreciation and financing movements.
Pensions reserve	Lower inherent risk	Lower inherent risk as the Pensions Reserve reflects the accounting treatment of pension obligations and should broadly mirror the pension liability recognised on the Balance Sheet. There is limited opportunity or incentive for management to manipulate the reserve, and no additional risk factors have been identified. While only partial assurance was obtained over the pension liability due to the lack of assurance over the opening balance at 1 April 2023, this does not increase the inherent risk assessment.
Collection fund adjustment account	Lower Inherent risk	No additional risk factors have been identified that would increase the risk.
Accumulated absences account	N/A	Immaterial balance, no additional work required.
Financial instruments adjustment account	N/A	Immaterial balance, no additional work required.
Deferred capital receipts reserve	N/A	Immaterial balance, no additional work required.

Rebuilding assurance over reserves – Risk assessment

4. Implications for the 2025/26 audit

Our risk assessment process has indicated that the pre-2023/24 gaps in assurance - particularly those relating to reserves and other cumulative balances - cannot be sufficiently addressed as part of the 2025/26 audit to support future progression towards qualified or unmodified audit opinions, for the following reasons:

- the scale and complexity of historic balances requiring reconstruction;
- insufficient quality or availability of historic supporting evidence;
- limitations in management capacity to support a historic rebuild alongside the 2025/26 audit; and
- unresolved control deficiencies or accounting issues from prior years

In line with our established prioritisation principles, we will therefore focus our audit resources on rebuilding assurance for those bodies that have demonstrated they are able to adequately support the completion of all 2025/26 planned audit procedures, supporting the sector-wide objective of returning to unmodified audit opinions as quickly and sustainably as possible. It remains critical that management focus on producing high quality financial statements for publication and ensure high-quality working papers and robust audit evidence is available, and that the underlying issues identified in prior years are addressed as part of the 2025/26 audit cycle to facilitate the natural rebuild of assurance. This will be essential to avoid any further delay in the eventual process of rebuilding assurance over the Council's historic position, which is critical given the timing of upcoming Local Government Reorganisation. We will reperform our risk assessment procedures as part of our 2026/27 audit planning to update the assessment of whether the Council is in a position to proceed with the historical rebuild of assurance.

5. Fees

The activities undertaken in relation to this risk assessment, the preparation of the submission required by MHCLG, and the drafting of this addendum are outside the scope of the scale fee set out in our Audit Planning Report issued on 30 April 2026.

Accordingly, we will seek a variation to the scale fee to reflect these changes to the scope of our work and will communicate further through our reporting once the costs are agreed.



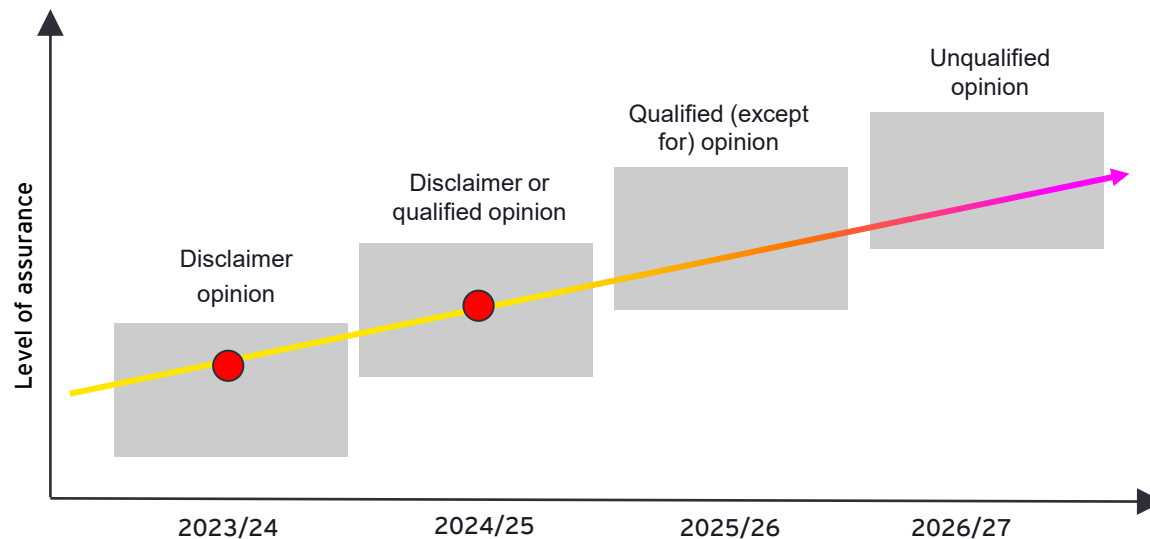
Appendix A

Appendix A – Rebuilding assurance

Progress to full assurance

The chart below illustrates the expected timescale for rebuilding audit assurance as set out in the NAO's LARRIG 01. It also shows our assessment of the Council's progress against that illustrative timescale, together with the reasons for that assessment and the key actions required to successfully rebuild assurance.

The guidance recognises that the journey to full assurance - and therefore an unqualified audit opinion - will typically take a number of years. Progress depends on sustained coordination and engagement between the Council and the audit team across successive audit cycles. Since 2022/23, we have applied a structured, risk-based prioritisation approach to local government audits. This approach is designed to support a return to unqualified audit opinions wherever feasible, while continuing to meet the statutory backstop requirements introduced as part of the local audit reset.



Council progress

- In 2023/24 and 2024/25, a disclaimer of opinion was issued due to the application of the backstop and planned audit procedures not being completed in the following areas:
 - ▶ No assurance was obtained over Short term debtors, Short term Creditors, Grants received in advance, Reserves, Staff costs, Other Income and Expenditure, Leases, Collection Fund, Other Disclosures, Cash Flow Statement;
 - ▶ Limited assurance was obtained over Property, Plant and Equipment ('PPE'), Local Government Pension Scheme, Group Accounts due to uncertainties relating to opening balances. Limited assurance was also obtained over the and Journal Testing as a consequence of the impact of areas where no assurance was obtained.

In our view, the Council's progress falls behind the expected timescales set out in LARRIG 01. Focus for 2025/26 should be providing high quality audit evidence to support completion of all planned audit procedures to allow the natural rebuild process to commence.

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UKC-038208 (UK) 03/25. Creative UK.
ED None

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TITLE: Internal Audit Plan Development 2027/28

Committee: Audit Committee

Date: 20th October 2026

Author: Chief Internal Auditor

Report number: AB92

Contact officer:

Rachel Ashley-Caunt, Chief Internal Auditor

Rachel.ashley-caunt@eastcambs.gov.uk

Issue

1. To advise and consult the Committee on the Internal Audit plan development process for 2027/28.

Recommendations

2. The Committee notes and endorses the proposed approach to development of the Internal Audit plan for 2027/28.
3. The Committee highlights any risk areas where assurances are required during the year ahead to the Chief Internal Auditor by 15th January 2027.

Background/Options

4. In setting the annual audit plan, the Global Internal Audit Standards require that the Internal Audit plan must:
 - 'Consider the internal audit mandate and the full range of agreed-to internal audit services;
 - Specify internal audit services that support the evaluation and improvement of the organisation's governance, risk management and control processes;
 - Consider coverage of information technology governance, fraud risk, the effectiveness of the organisation's compliance and ethics programs, and other high-risk areas;
 - Identify the necessary human, financial and technological resources necessary to complete the plan; and
 - Be dynamic and updated timely in response to changes in the organisation's business, risk operations, programmes, systems, controls and organisational culture'.
5. The North Northamptonshire Council Internal Audit service is commissioned to provide 210 audit days to deliver East Cambridgeshire District Council's annual internal audit plan.

Arguments/Conclusions

6. In order to ensure that the Audit Plan for 2027/28 address the Council's key risks and adds value to the organisation, it is proposed that the Chief Internal Auditor will identify and prioritise the areas for coverage by:
 - a) Reviewing the Council's Risk Register and Corporate Plan;
 - b) Analysing coverage of Internal Audit reviews over the last four years and the assurance opinions provided following each review, to identify any assurance gaps or areas where follow up work would be of value;
 - c) Identifying any other sources of assurance for each of the Council's key risks, which may reduce the added value of an Internal Audit review and where work could be aligned with other assurance providers;
 - d) Identifying any areas of the Audit Universe (the range of potential areas for audit review across the Council) which have not been subject to Internal Audit review during the last four years, including areas which are IT related, fraud risks and ethical governance;
 - e) Consultation with the Audit Committee to discuss the planning process and areas where Members require assurances from Internal Audit during 2027/28, in the form of this report; and
 - f) Meeting with senior management to discuss key risks and emerging risk areas for the year ahead and any areas where Internal Audit support would be beneficial either in an assurance or consultancy role.
7. All potential audit coverage identified will be risk assessed and prioritised for inclusion in the Audit Plan, in consultation with senior management, based on risk, other sources of assurance available and potential value added from a review.
8. The resulting draft Internal Audit Plan will then be presented to the Audit Committee in March 2027 for review and formal approval.

Additional Implications Assessment

9. 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

None

Background documents

[Global Internal Audit Standards](#)

TITLE: INFORMATION GOVERNANCE ANNUAL REPORT

Committee: Audit Committee

Date: 20th October 2026

Author: Director Legal & Monitoring Officer (SIRO)

Report No: AB93

Contact Officer: Maggie Camp, Director Legal & Monitoring Officer
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Room 112, The Grange, Ely

Issue

1. To receive an overview of the Council's activity in respect of how it has discharged its responsibilities in matters relating to information governance during 2025/26.

Recommendation

2. Members are requested to note the report.

Background/Options

3. The Council has statutory obligations to meet as set out in legislation including dealing with Freedom of Information requests, Environmental Information Regulation requests, Subject Access requests, Data Protection requests and Data Breaches. The Information Commissioner's Office ("ICO") is the UK's supervisory authority set up to uphold information rights in the public interest, promote openness by public bodies and data privacy for individuals and monitors compliance with legislation.
4. This report provides a summary of the Council's performance during 2025/26 in responding to requests for information received under the legislations referred to above. It also reports on the management of data breaches and data protection training. More information is provided in each section.

Freedom of Information

5. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 impose an obligation on public authorities to provide public access to certain information held by them. On receipt of a valid request for information, the authority must comply with that request as required by the legislation, unless an exemption can be applied.
6. Anyone has a right to request information from a public authority. The Council's three separate duties when responding to these requests are:
 - To tell the requester whether we hold any information falling within the scope of their request.

- To provide that information, unless an exemption to the law allows it to withhold the information; and
- To respond to the request within 20 working days.

7. Statistics:

Table 1: Number of FOI/EIR requests received:

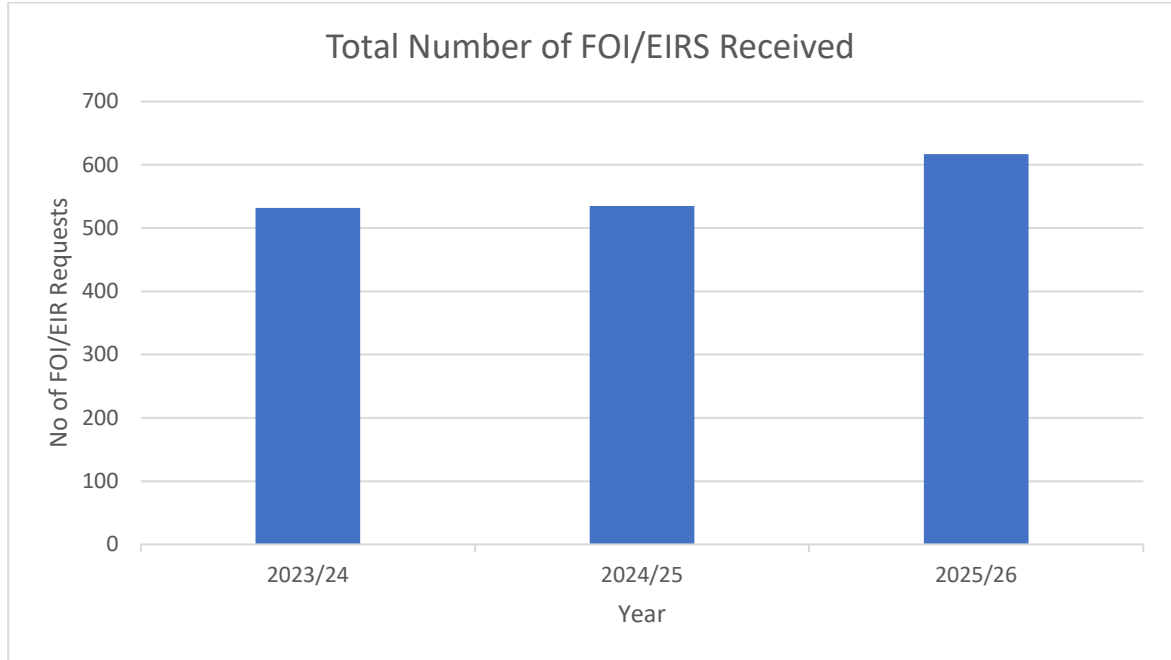
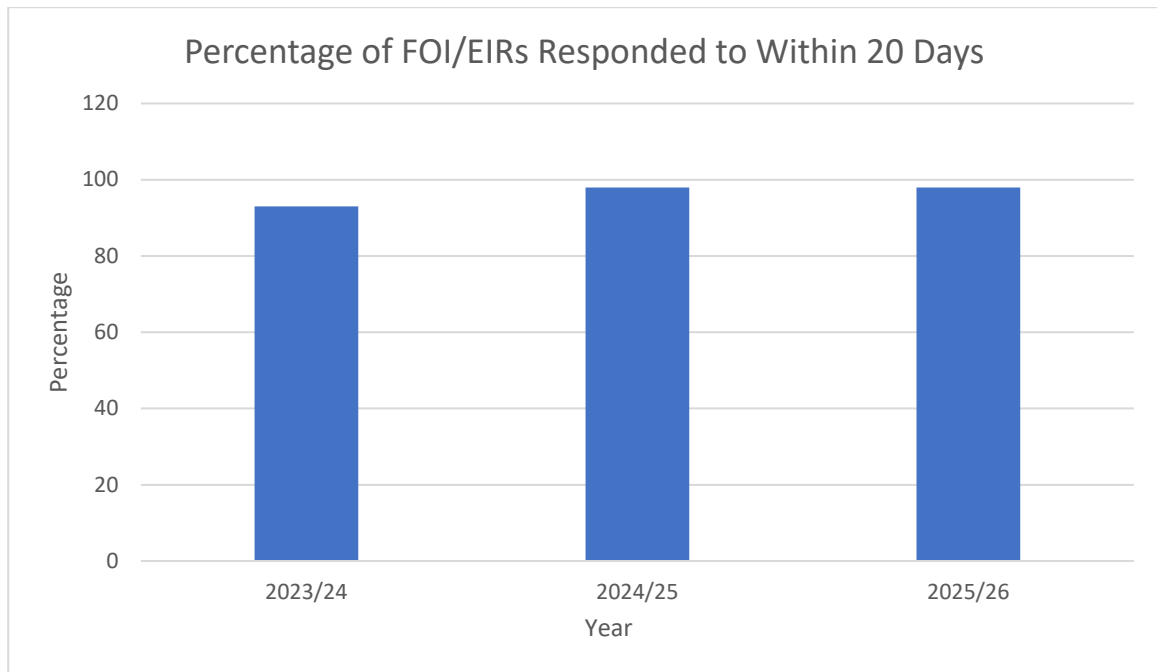


Table 2: Proportion of FOI/EIR requests completed within 20 working days:



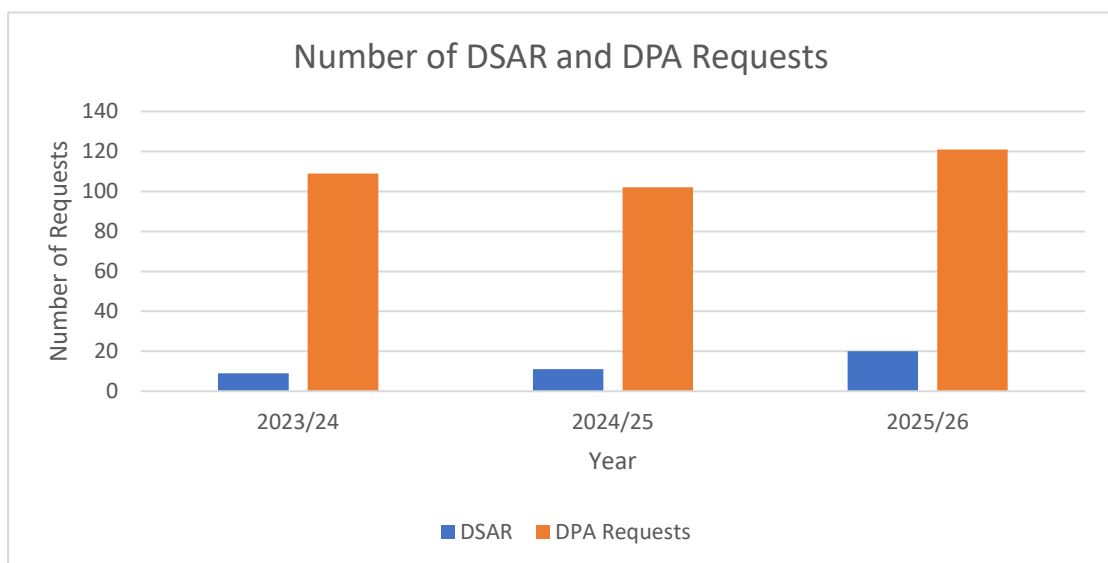
8. The ICO considers that responding to 90% of requests within the 20-working day timescale is adequate; however, as can be noted above, the Council is consistently above this each year, with 98% % in 2024/25 and 98% in 2025/26. 100% of all FOI requests were answered, with 98% being within the 20 working day statutory timescale.

9. If a requester is unhappy with their FOI/EIR request, they can request an internal review. If they remain unhappy following an internal review, then the matter can be referred to the ICO.
10. In 2023/24, 5 internal reviews were requested, with none escalated to the ICO.
In 2024/25 – 2 internal reviews were requested, with none escalated to the ICO.
In 2025/26, 11 internal reviews were requested, with none escalated to the ICO.
11. The average officer time to respond to a FOI request is 1 hour and 39 minutes. All FOI responses answered by officers, are sent back to the Information Officer (Digital Services Manager) for double checking, removal of meta data and if required, redacting. The Information Officer then sends the response out to the requester. This procedure reduces the risk of releasing incorrect and/or personal data.

Data Subject Access Requests and Data Protection Requests

12. A Data Subject Access Request (“DSAR”). enables individuals the right to access any personal data an organisation holds on them.
13. A Data Protection Request (“DPA”) is a request from other public bodies, either internal or external, for personal data for investigation purposes.
14. DSAR’s can be complex to process as they often involve multiple data subjects’ personal data within each record. This means that detailed redaction must take place to ensure that disclosure is accurate and does not inadvertently include other data subjects’ personal data. Each request may include hundreds of records from many departments within the Council.
15. The Council also receives “one off” DPA requests for personal information from third parties, including the police and other government agencies. The Information Officer maintains a register of these requests, which includes assessing whether the Council can lawfully disclose the information and logging exemptions relied on when personal data is shared with third parties.
16. Statistics:

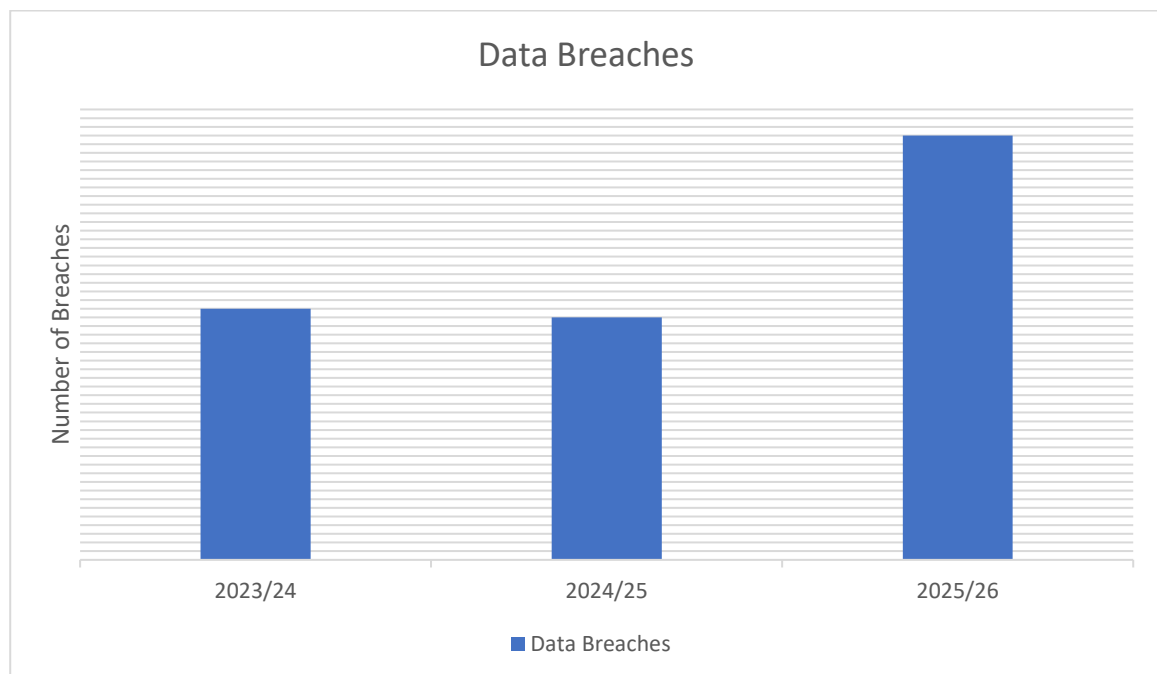
Table 3: Number of DSARs and DPA Requests received:



Data Breaches

17. A personal data breach means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data.
18. The Information Officer assesses each breach to consider the likelihood and severity of the risk of rights and freedoms as a result of the breach. From this assessment, it is decided if the breach needs to be reported to the ICO. By law, the Council has 72 hours from time of notification of the breach to report breaches that meet the threshold to the ICO. For the period 2025/26, no data breaches were reported to the ICO.
19. For each reported breach, recommendations are made to the relevant officer and Service Lead. The most common data breach is sending emails to the wrong party.
20. Statistics

Table 4: Number of Data Breaches



Data Protection Training

21. There is no requirement set out in the UK GDPR regarding Data Protection training for staff; however, Principle 7 of the UK GDPR states that "*Data Controllers (i.e. the Council) are responsible for the compliance with the principles and must demonstrate this to data subjects and the regulator*".
22. Data Protection training is provided for all staff and Members. The training is on a 2-year schedule, with full training in year 1 and refresher training in year 2. The Council maintained a 100% completion rate for staff for 2025/26 (for the fourth year in a row).
23. Staff who do not have access to a computer in their role with the Council are provided with appropriate level training, i.e. via toolbox talks for ECSS and ECTC staff.

24. The Council decided not to make Data Protection training compulsory for Members. In 2025/26, 9 Councillors completed Data Protection training.

Transparency Code

25. The Council has statutory obligations to publish data as required by the Local Government Transparency Code 2014. Publishing under the Code gives the public access to numerous datasets of information covering a wide range of matters, for example from procurement to parking.
26. The data sets are updated regularly according to the Transparency Code on the Council's Open Data page on the Council's website, and these are updated either monthly, quarterly or annually.

Arguments/Conclusion

27. It was agreed at Audit Committee meeting in October 2023 that an Annual Information Governance report be presented to Members.

Financial Implications / Equality Impact Statement / Carbon Impact Assessment

28.

Financial Implications None	Legal Implications None	Human Resources (HR) Implications None
Equality Impact Assessment (EIA) Not required	Carbon Impact Assessment (CIA) Not required	Data Protection Impact Assessment (DPIA) Not required- no personal data will be shared

Appendices

29. None.

Background Documents:

East Cambridgeshire District Council Open Data page
<https://www.eastcambs.gov.uk/notices/open-data>

Audit Committee Annual Agenda Plan

Agenda Item 11

Lead Officer: Jude Antony, Director Finance
Democratic Services Officer: Patrick Adams

Tue 19 January 2027	4:30pm
Chair's Announcements	Chair
External Audit – Audit of 2025/26 Accounts	External Audit
Internal Audit Progress Report	Internal Audit
Statement of Accounts 2025/26	Director Finance and S151 Officer
Corporate Risk Management Monitoring Report	Director Finance and S151 Officer
Actions taken by the Director Finance on the grounds of urgency (if any)	Democratic Services Officer
Forward Agenda Plan	Democratic Services Officer
Tue 16 March 2027	4:30pm
Chair's Announcements	Chair
External Audit Plan for 2026/27	External Audit
Internal Audit Work Plan for 2026/27	Internal Audit
Internal Audit Progress Report	Internal Audit
Internal Audit Charter and Mandate	Internal Audit
Audit Committee Annual Report 2026/27	Director Finance and S151 Officer
Actions taken by the Director Finance on the grounds of urgency (if any)	Democratic Services Officer
Forward Agenda Plan	Democratic Services Officer

Notes:

1. Agenda items which are likely to be “urgent” and therefore not subject to call-in are marked *
2. Agenda items in italics are provisional items / possible items for future meetings.