



**Corporate Governance Committee**

**Chair's Annual Report to Council**

**for the year ending March 2026**

## **Introduction by the Chair of the Corporate Governance Committee**

This report summarises both the Committee's activities during 2025/26 and issues that arose in that financial year. It is intended to:

- Reassure the Council and other stakeholders that the committee is undertaking its responsibilities properly and in a way that allows it to exercise effective oversight; and
- Demonstrate to the District's residents and other stakeholders the importance that the Council places on good governance, openness and probity in public life. The report sets out the contribution the Committee makes to achieving those aims, and provides commentary. The Committee's meetings are open to the public and its agendas are available on the Council's website.

Over the last year, the Committee has continued its focus on the following key issues:

1. The draft 2024/25 Accounts, which were published by the end of June 2025, and the final accounts, which were published 5 March 2026.
2. The Committee has also reviewed the Council's Annual Governance Statement (AGS) and Annual Financial Report (AFR) for 2024/25.
3. Once again, the Committee has played a key role in overseeing the effectiveness of the Council's internal audit function by monitoring the implementation of management actions arising from audit reviews. This includes regular scrutiny of the number and status of open actions, those completed since the previous meeting, and any actions where target dates have been revised. During the year, the Committee has strengthened its approach to this oversight by placing greater emphasis on timeliness and accountability, including more focused challenge on overdue actions and clearer visibility of performance against agreed deadlines. This enhanced scrutiny has supported improved transparency and reinforced the importance of delivering audit recommendations promptly to strengthen the Council's overall governance, risk management, and control environment.
4. Detail on the complaints and compliments received by the Council.
5. The updated Anti-Fraud, Bribery and Corruption Strategy, and the Annual Review of Fraud Investigation Activity.
6. The Community Governance Review of Glatton and Conington parishes following public consultation
7. Consideration of the External Auditor's Annual Planning Report for 2024/25
8. To seek to prevent, detect, reduce the impact and recover from cyberattacks and/or system outages

Following the publication of the English Devolution White Paper in December 2024, the Committee has continued to factor Local Government Reorganisation (LGR) into its deliberations. As with last year, LGR remains a central consideration shaping the Committee's ongoing work and the Committee have indicated that they will consider this as an option for a "deep-dive" review for the forthcoming year.

The Committee has maintained a clear and consistent focus on the key risks facing the organisation. Internal Audit continues to play a critical role in evaluating how effectively these risks are managed, a role that has been further strengthened through a dedicated Risk Manager. This role has increased capacity to support and further develop the Council's approach to risk management.

Throughout the year, the Committee has continued to receive and consider regular updates on the Corporate Risk Register, ensuring that risk remains firmly embedded within its audit and governance oversight. The introduction of a more streamlined Corporate Risk Register has supported a more focused and strategic approach to scrutiny. In parallel, Members have been kept informed of ongoing work to review and refresh service-level risk registers, supporting a more consistent and robust framework for identifying and managing risk across the organisation.

To this end, the Chair and Vice Chair continued to work with the Executive Councillors and Senior Officers to improve the Council's effectiveness in Risk management, and the role that the Corporate Governance Committee can play in this. This work has been undertaken with oversight from RSM, who have also fulfilled the role of Head of Internal Audit.

The then-Chair and Vice Chair for the year took part in the review of the LGA Audit Peer Challenge in March 2024. The Committee will recall the Government's stated intention to require local government audit committees to include one or more Independent non-voting members. The Committee have greatly valued the contributions of Phillip Webb as our independent member.

Finally, I would like to thank those Officers who have supported the Committee's activities over the Corporate year 2025-26; the Members who served on the Committee during the Corporate year, and in particular, Members for their contributions to the Committee's oversight of all aspects of Corporate Governance.

**Councillor Michael Burke**

**Chair, Corporate Governance Committee**

July 2026

# ANNUAL REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

## YEAR ENDED MARCH 2026

This is the report to Council of the Corporate Governance Committee to summarise activities undertaken during 2025/26 demonstrating compliance with the *CIPFA Audit Committee Position Statement 2022 (CACPS)*, discharging its responsibilities and providing an assessment of its performance.

The CACPS sets out the purpose, model, core functions and membership of the Corporate Governance committee (CGC). It details outputs that must be established and evidenced:

- Purpose of CGC.
- Independent and effective model.
- Core functions, including specific responsibilities for:
  - Maintenance of governance, risk and control arrangements.
  - Financial and governance reporting.
  - Establishing appropriate and effective arrangements for audit and assurance.
- Audit committee membership.
- Engagement and outputs.
- Impact.

These areas are explored in the following report and the activities and achievements noted.

### 1. Purpose of CGC

The committee's purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

The committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.

The committee is also tasked with receiving reports from the Constitution Review Working Group, which last met in June 2026 with an agenda items on amendments to the Council's Constitution to reflect recent statutory changes to the planning system, particularly the introduction of a National Scheme of Delegation (NSoD) and revised limits on Planning Committee size

Whilst the work of the Constitution Review Working Group took place outside of the reporting period for this annual report, the committee consider that it is important to note that it will be receiving items on the above topics in due course. The Working Group is scheduled to receive a report on proposed

changes to the Code of Procurement at its next meeting, which will in turn, be received by the Corporate Governance Committee.

## **2. Independent and Effective Model**

The Committee is an apolitical, non decision-making forum; it is an advisory committee that has sufficient importance in the authority, so that its recommendations and opinions carry weight and have influence with the leadership team and those charged with governance. It is directly accountable to Council and is independent of the scrutiny and executive functions but has rights of access to and engagement with other committees or functions.

## **3. Core Functions**

### **3.1. Maintenance of governance, risk and control arrangements.**

The Committee considers updates from the organisation on the operation of its governance, risk and control arrangements. During 2025/26, this included:

- Receiving regular updates on the organisation's Corporate Risk register, debating the risks included upon it, the mitigating actions proposed to control exposure to adverse impacts should those risks materialise and recommending further areas for consideration.
- Monitoring actions arising from Internal Audit reviews and receiving updates on actions not implemented by the agreed target dates. As set out above, the Committee has placed further emphasis on timeliness and accountability, including more focused challenge on overdue actions and clearer visibility of performance against agreed deadlines
- Receiving and noting the Annual Review of Fraud Investigation activity report.
- Receiving and noting the Annual Complaints report.
- Receiving an update on the organisation's compliance with the Information Rights Act and Information Governance.
- Considering a report by the Elections and Democratic Services Manager on the Code of Conduct and Register of Disclosable Pecuniary Interests.
- Receiving an update on Cyber Security.
- Reviewing a Community Governance Review – Glatton & Conington Parishes.
- Receiving a report on Future Internal Audit Provision.
- Reviewing an Inspection Report Update on Use of Surveillance Under the Regulations of Investigatory Powers Act (RIPA).
- Ongoing meetings of the Constitutional Working Group.

### **3.2. Financial and governance reporting.**

Significant progress has been made by the Council against the backstop, with the Statement of Accounts for 2022/23 and 2023/24 being published in advance of the date mandated by the Government. The draft 2024/25 Accounts, which were published by the end of June 2025, and the final accounts, which were published 5 March 2026.

The organisation's external auditors regularly attend the meetings of the committee and specifically present the External Auditor's Annual Report. Committee members are able to ask questions of the External Auditors.

### **3.3. Establishing appropriate and effective arrangements for audit and assurance**

The Committee is tasked with reviewing and approving the Internal Audit Charter on an annual basis alongside the Annual Internal Audit Plan. The Charter defines the purpose, authority and responsibility of Internal Audit activity, establishes the Internal Audit Service's position within the organisation; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

The Annual Internal Audit Plan details the expected activities for the Internal Audit Team over the coming year and is based upon the outputs of the Risk Management Strategy. It aims to be able to provide assurance that the controls in place to protect the organisation are deployed effectively and monitored regularly.

The following Internal Audit activity was undertaken as part of the 2025/26 internal audit plan, and confirmed to Committee:

Assignment	Executive lead	Opinion issued	Actions agreed		
			L	M	H
<b>ICT Budget Management and Efficiency Savings</b>	Chief Digital and Information Officer	<b>Minimal</b>	6	4	7
<b>Capital Programme</b>	Interim Section 151 Officer	<b>Partial</b>	2	7	0
<b>Contract Management</b>	Head of Democratic Services and Monitoring Officer	<b>Partial</b>	1	5	1
<b>Creditor Payments</b>	Interim Section 151 Officer	<b>Partial</b>	1	9	2

<b>Data Quality and Performance Management</b>	Corporate Director (Finance and Resources)	<b>Partial</b>	3	4	1
<b>General Ledger</b>	Interim Section 151 Officer	<b>Partial</b>	6	6	0
<b>Human Resources – Recruitment and Retention</b>	Corporate Director (Finance and Resources)	<b>Partial</b>	1	6	1
<b>Procurement</b>	Head of Democratic Services and Monitoring Officer	<b>Partial</b>	6	4	1
<b>Transformation</b>	Corporate Director (Communities)	<b>Partial</b>	1	8	2
<b>Business Rates</b>	Corporate Director (Communities)	<b>Reasonable</b>	3	1	0
<b>Chief Digital and Information Officer</b>	Chief Digital and Information Officer	<b>Reasonable</b>	0	0	1
<b>Complaints and Compliments Management</b>	Corporate Director (Communities)	<b>Reasonable</b>	2	4	0
<b>Council Tax</b>	Corporate Director (Communities)	<b>Reasonable</b>	7	1	0
<b>Democratic Services</b>	Head of Democratic Services and Monitoring Officer	<b>Reasonable</b>	4	1	0

<b>Housing Benefits</b>	Corporate Director (Communities)	<b>Reasonable</b>	7	0	0
<b>Market Towns Programme</b>	Corporate Director (Place)	<b>Reasonable</b>	3	2	0
<b>Payroll</b>	Interim Section 151 Officer	<b>Reasonable</b>	1	4	0
<b>Follow Up – Part One</b>	Interim Section 151 Officer	<b>Reasonable Progress</b>			
<b>Workforce Development</b>	Chief Executive Officer	<b>Substantial</b>	1	0	0
<b>Risk Management</b>	Interim Section 151 Officer	Advisory	2	4	0
<b>Data Protection</b>	Chief Digital and Information Officer	Advisory	3	4	0
<b>IT Remediation Review</b>	Chief Digital and Information Officer	Advisory	0	2	0
<b>Follow Up – Part Two</b>	Interim Section 151 Officer	Advisory	2	5	0
<b>Disabled Facility Grant (DFG) Verification</b>	Interim Section 151 Officer	Advisory	0	0	0
<b>TOTAL</b>			<b>60</b>	<b>81</b>	<b>16</b>

The Committee receives regular reports on the completion of audit actions, in particular, actions which are not implemented by the agreed due date. The reports to Committee update on the reasons for non-implementation and the work being undertaken to achieve completion. The Committee has noted that the Internal Audit function has been on a significant journey of change over the last year, with

RSM undertaking the function since January 2025. The Committee have noted the work undertaken by Officers to enhance the reporting on Internal Audit Actions.

#### **4. Engagement and outputs**

During 2025/26 the committee met on seven occasions. Committee meetings were regularly attended by the Internal Audit Manager (covered by RSM since January 2025), the Corporate Director for Finance and Resources, the Chief Executive, the Monitoring Officer, and other officers as required. The Chair and Vice Chair were able to meet the officers outside of Committee as required.

The organisation's external auditors regularly attended committee meetings on to discuss audit planning and progress.

#### **5. Audit Committee Membership**

The terms of reference for the committee were reviewed in March 2024 to ensure CIPFA's requirements for an audit committee were met. Whilst CIPFA's model terms of reference was used as a basis for the review, the committee's terms of reference also include responsibility for Constitutional, Conduct and Regulatory Arrangements. The review included a proposal to reduce the committee membership to seven members plus up to two independent members. This was agreed at Council in April 2024.

One independent non-voting member was recruited and approved to committee in May 2024, to complement the skills of the existing committee members.

#### **6. Impact**

As part of the LGA Peer Review of Internal Audit, the committee was asked to consider its role in the organisation's governance and assurance processes, and suggestions made for change, such as:

- Reviewing membership committee size and membership.
- Recruiting Independent Members.
- Reviewing its Terms of Reference
- Assessing its skills and considering areas for improvement through training.

As already noted, these have all been undertaken and the committee now more closely aligns itself with CIPFA's Audit Committee Position Statement 2022.