



Title of report: Annual Governance Statement Progress Update

Meeting: Audit and Governance Committee

Meeting date: Tuesday 28 October 2025

Report by: Director of Finance

Classification

Open

Decision type

This is not an executive decision

Wards affected

All Wards

Purpose

To provide an update on progress in respect of actions identified to deliver continuous improvement in governance arrangements.

Recommendation(s)

That:

- a) **The committee notes the activity completed to deliver improvements in governance arrangements in 2025/26.**

Alternative options

1. None, the publication of an Annual Governance Statement (AGS) is a requirement of the Accounts and Audit (England) Regulations 2015 (as amended) and a review of progress to deliver identified improvements is considered best practice, in preparation for the AGS for the financial year ending 31 March 2026.

Key considerations

2. The council is required, as part of an ongoing review of the effectiveness of its governance arrangements, to produce an AGS which forms part of the Annual Statement of Accounts. It reports on the governance framework and internal controls in place for the financial year and considers any significant governance issues up to the date of publication of the audited Statement of Accounts.

3. The AGS is a review of activities to ensure that the council's internal control and governance framework is operating effectively. The statement explains how the council has discharged its governance responsibilities during the financial year and the key governance mechanisms in place to manage risks of failure in delivering outcomes and decision making.
4. The preparation and publication of the AGS is undertaken with reference to the seven core principles of good governance as identified in the Chartered Institute of Public Finance (CIPFA) Delivering Good Governance in Local Government Framework 2016.

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

Core Principle B: Ensuring openness and comprehensive stakeholder engagement

Core Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

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

Core Principle F: Managing risks and performance through robust internal control and strong public financial management

Core Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

5. The approved, and audited, AGS for 2024/25 identified actions to deliver continuous improvement in governance arrangements. An update on activity to deliver these improvements is included at Appendix 1 to this report.
6. Activity will continue over the remainder of the 2025/26 financial year to inform the assessment of effectiveness of governance arrangements for production of the AGS for the year ended 31 March 2026.

Community impact

7. Corporate governance is the term used to describe the systems, processes, culture and values the council has established to ensure we provide the right services, to the right people in a timely, open, and accountable way. Good corporate governance encourages better informed longer-term decision making using resources efficiently, and being open to scrutiny with a view to improving performance and managing risk.
8. The annual review ensures that arrangements are effective in supporting achievement of the council's vision and county plan priorities.

Environmental impact

9. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.

10. Whilst this is a factual update and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the Council's Environmental Policy.

Equality duty

11. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations, and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
12. The mandatory equality impact screening checklist has been completed for this activity and it has been found to have no impact for equality.

Resource implications

13. There are no specific resource implications from the report itself.

Legal implications

14. The Accounts and Audit (England) Regulations 2015 include a requirement for all councils to produce an AGS; this review ensures that activity to deliver improvements during the financial year is reported to the Committee.

Risk management

15. The statement itself identifies any high level or strategic governance risks and the action plan provides mitigation to those risks.

Consultees

16. None.

Appendices

Appendix 1 Update on actions to improve governance arrangements
Appendix 2 Approved Annual Governance Statement 2024/25

Background papers

None identified.