

Annual Governance Statement 2025-26

1. Introduction

1.1 General

Cannock Chase District Council (the Council) is accountable to the residents of the District and other stakeholders for ensuring a sound system of governance is in place. Good governance underpins delivery of the Council's operational services and priorities, as set out in the Corporate Plan, and provides confidence that decisions are well made.

It supports ethical working and public accountability. This Annual Governance Statement (AGS) provides assurance on the effectiveness of the Council's governance arrangements and compliance with the principles set out in the Cipfa/Solace "Delivering Good Governance in Local Government" Framework.

The AGS, informed by the annual review, is structured to provide:

- An Executive Summary - providing the key messages of the AGS and an overall opinion as to whether governance arrangements at the Council are fit for purpose.
- An Assessment of Effectiveness - outlining how the review of effectiveness was conducted and the key findings.
- Improvements to Governance Arrangements - identifying those areas of governance requiring improvement and how these are being addressed, and how we have improved our governance arrangements based on issues identified in last year's AGS and other significant steps taken to improve governance during the year.
- A Forward Look on Governance - identifying where governance needs to change or develop to meet the future needs of the Council.

This AGS covers the period 1 April 2025 to 31 March 2026. But the review of the effectiveness of our governance arrangements remains an on-going process.

1.2 Responsibilities

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 for maintaining robust arrangements for risk management, control and governance, ensuring continuous improvement in service delivery.

Elected members have overall responsibility for the governance of the Council and for the fulfilment of accountabilities to residents of the District and other stakeholders. Approval of core governance arrangements such as the Council Constitution is made by full Council whereas other aspects of governance are approved through delegated authority. The Council has delegated authority for approval of the AGS to the Audit and Governance Committee.

The Council has three key statutory officers with specific governance responsibilities, being the Chief Executive (Head of Paid Service), Deputy Chief Executive - Resources and s151 Officer (Chief Financial Officer), and the Head of Law and Governance (Monitoring Officer). The Head of Business Support and Assurance works with the statutory officers to put in place and maintain the appropriate arrangements for governance and provide assurance on its effectiveness.

All members of the Leadership Team share responsibility for the accuracy of the AGS. The Head of Business Support and Assurance is responsible for the preparation of the AGS and for its submission to the Audit and Governance Committee for approval following agreement of the Leadership Team.

2. Executive summary

2.1 Achievements

The Council has made significant progress in developing and improving its overall governance framework during the year. Key achievements have included:

- Reviewing and updating the Code of Governance;
- Updating key documents which form part of the Council's governance framework e.g. Code of Conduct for Employees, IT security policy, the Anti-Fraud and Bribery and Speaking Up policies;
- Training for Leadership Team, service managers and principal officers in risk management and the development of the risk registers;
- Training on procurement and the new regulations.

2.2 Priorities for the Coming Year

Whilst the Council is making progress with its governance improvements, we recognise that more work still needs to be done. Our priorities for improvement in the coming year include:

- Embedding the new Code of Governance and raising its profile;
- Development of an assurance model;
- Rolling out the new Code of Conduct for Employees and Values across the Council;
- Development of work plans and a performance reporting framework for Leadership Team;
- Developing a culture of ownership and accountability, particularly in financial and performance management, across the Council;
- Project management training and improvements to project governance.

2.3 Opinion on the Council's Governance Arrangements

Based on the review of effectiveness and our understanding and experience of the governance arrangements in place during 2025-26 and to date, our overall opinion is that the Council's governance framework, including the system of internal control, is limited.

The framework itself is generally adequate. Whilst there are some gaps in the framework, the main concern is that it is not fully embedded or operating effectively across the Council.

Policies and guidance are not always followed. It is recognised that a number of key policies have been updated in the year and training has not yet been rolled out; these will take time to embed. Compliance with other policies is inconsistent and this is due in part to a lack of awareness and in part a lack of accountability. Limited resources is having an impact on the capacity to provide regular updates, reminders and training.

Areas for improvement have been identified and an action plan is in place to address these issues. The Council continues to make progress on the improvement journey and has recently updated the Code of Governance. But it is recognised that further work is needed to ensure that effective systems of internal control, governance and risk management are fully developed, embedded and consistently applied across the organisation. We remain committed to delivering these improvements and will monitor their implementation and effectiveness through our ongoing governance review processes.

Signed on behalf of Cannock Chase District Council:

Chair of the Audit and Governance Committee:

Leader of the Council:

Chief Executive:

Date of approval

3. Assessment of Effectiveness

3.1 Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled and through which it accounts to, engages with and leads the community.

Key components of the framework include:

- Strategic vision and priorities articulated through the Corporate Plan;
- The Constitution of the Council that sets out how the Council operates, makes decisions, and ensures accountability through its governance, rules and procedures. It is the primary governance document of the Council and includes codes of conduct and core financial rules that must be followed;
- Scrutiny arrangements, and openness such as through public access to meetings and published agendas, consultation and community engagement and publication of Council information, that support challenge, transparency and accountability;
- Corporate policies covering expected behaviours including for anti-fraud and whistleblowing (speaking up) and information governance;
- Arrangements in place for the discharge of statutory officer functions;

- Robust financial management including the Medium-Term Financial Strategy (MTFS). Financial planning is aligned with strategic objectives to provide long-term sustainability;
- Business planning and performance management arrangements which translate the corporate priorities into priority delivery plans (PDPs) and key performance indicators to measure our delivery of key operational services;
- Risk management arrangements overseen by the Leadership Team and the Audit and Governance Committee. The system of internal control is a significant part of this framework and is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

3.2 Local Code of Governance

The Council's Local Code of Governance has adopted the seven Good Governance framework principles of:

- 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.

The Code has been updated recently to meet the requirements of the addendum issued by Cipfa/Solace.

3.3 Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. This provides an open and honest assessment of the Council's governance arrangements. The review draws on a broad range of assurances to evaluate whether governance arrangements are fit for purpose, operating effectively, and to identify areas for improvement including developments to best meet future demands and anticipated change.

This year a key element of the review of effectiveness has been a self-assessment against the Cipfa/Solace Guidance and the local Code of Corporate Governance, undertaken by the Head of Business Support and Assurance. This review has in turn has been informed by:

- Member scrutiny and challenge processes - an annual report on scrutiny activity has been completed and will be presented to Council on 8 July 2026.
- The Standards Committee provides oversight of the complaints procedure for responding to alleged failures to comply with the Members' Code of Conduct. The Council Monitoring Officer provides support, advice, and maintains the effectiveness of the Standards Committee and the standards regime.
- The Audit and Governance Committee operates independently of the Executive and plays a key role in oversight of the operation of the Council's governance framework.
- Leadership Team - met regularly throughout 2025/26 and provided on-going management and oversight of the activities of the Council. Leadership Team is chaired by the Chief Executive and consists of the most senior Council Officers. Leadership Team input to and provide scrutiny of the AGS prior to its submission to Audit and Governance Committee;
- Assurances from the Statutory Officers - the Head of Paid Service, the Chief Financial Officer and the Monitoring Officer have met and considered the arrangements in place to support the seven principles in the Council's Local Code of Governance.

- The work of Internal Audit and the Chief Internal Auditor and Risk Manager's Annual Conclusion - Internal Audit examine the effectiveness of the Council's internal controls, risk management and corporate governance arrangements. Assurance is provided through periodic monitoring reports to the Audit and Governance Committee, together with the annual Internal Audit opinion on internal control, risk management and governance, informed through delivery of a risk based Annual Audit Plan. For 2025/26, "Internal Audit can provide **Limited assurance** that the Council's governance arrangements including risk management and systems of internal control were operating adequately and there were no instances where any breakdown of control resulted in a material discrepancy."
- The work of External Audit and the annual report and opinion - The Council's external auditors, Azets, provide assurance on the accuracy of the year-end Statement of Accounts and the overall adequacy of arrangements for securing and improving value for money. The value for money statement for 2024/25 was issued in June 2026 and this showed an improvement in the Council's governance arrangements compared to previous years.
- A review of disciplinary investigations undertaken during the year indicates a lack of awareness and compliance with the Council's policies and procedures, and a lack of understanding of standards of conduct and behaviour.

Based on the review of effectiveness and our experience of the governance arrangements in place during 2025-26 and to date, our overall opinion is that the Council's governance framework, including the system of internal control, is limited. The framework itself is generally adequate and is designed to support the seven key principles of good governance, but there are some gaps in it. The main concern is that key elements of the framework are not fully embedded or operating effectively across the Council.

In particular, policies and guidance are not always followed. It is recognised that a number of key policies have been updated in the year and training has not yet been rolled out; these will take time to embed. Compliance with other policies is inconsistent and this is due in part to a lack of awareness and in part a lack of accountability. Limited resources is having an impact on the capacity to provide regular updates, reminders and training.

The overall opinion is based on the evidence outlined in this review, together with the combined understandings of Leadership Team resulting in their recommendation to, and the agreement of, the Audit and Governance Committee.

4. Improvements to Governance Arrangements

4.1 Identification of Governance Issues

Our review is required to identify any areas of governance requiring improvement where:

- there are significant gaps in governance arrangements such as where core arrangements are not operating effectively;
- significant governance issues (failures) occurred during the year;
- governance arrangements could be easier to understand, comply with or made more efficient, and where there are barriers to achieving the principles of good governance.

Where our governance needs to improve

Our review of the Council's governance arrangements has identified the following key issues as needing to be addressed in 2026/27.

- Embedding the new Code of Governance and raising its profile;
- Development of an assurance model;
- Rolling out the new Code of Conduct for Employees and Values across the Council;
- Development of work plans and a performance reporting framework for Leadership Team;
- Developing a culture of ownership and accountability, particularly in relation to financial and performance management;
- Project management training and improvements to project governance.

A comprehensive action plan outlining the improvements to be made for each of the core principles of the Code of Governance is set out in Annex 2.

4.2 How we have improved our governance arrangements in 2025-26

A summary of the key areas where improvements have been made in addressing the governance issues identified in last year's AGS are outlined below.

- Reviewing and updating the Code of Governance;
- Updating key documents which form part of the Council's governance framework e.g. Code of Conduct for Employees, IT security policy, the Anti-Fraud and Bribery and Speaking Up policies;
- Training for Leadership Team, service managers and principal officers in risk management and the development of the risk registers;
- Training on procurement and the new regulations.

The significant nature of some of the improvement activities identified in last year's AGS necessitates a timeframe spanning more than a year to implement and achieve their objectives. Where appropriate ongoing and outstanding actions have been carried forward into the improvement plan for 2026/27.

5. Forward Look on Governance

The review has included a forward look on governance to identify where governance may need to change or develop to meet the future needs of the Council.

5.1 Significant risks or uncertainties that may change or challenge governance in future years

The Council recognises and monitors its key risks through risk management processes in place. Key risks linked to governance include:

- Financial Stability
- Local Government Re-organisation
- IT Resilience
- Failure to deliver good governance
- Corporate Capacity is insufficient to maintain provision of core services and deliver major projects
- Health and Safety arrangements for people

- Safety and compliance arrangements for corporate properties.

The actions to address these risks are set out in the Strategic Risk Register and will be monitored by Cabinet and the Audit and Governance Committee. Some of the actions are also included in the Governance Improvement Plan.

5.2 Other issues

Other issues identified during the review include:

- Local Government Reorganisation (LGR) will see the abolition of the existing 2 tier system of local government in Staffordshire and its replacement with unitary Councils. This will generate significant work, change and uncertainty for the coming years. Whilst this is referred to in the section above, the risk focusses on the impact on service delivery during the transition period. There is however also the risk that the Council's governance arrangements during this time could fragment or deteriorate as resources are stretched and attention is focussed elsewhere. This will be monitored and managed through the delivery of the governance improvement plan, the introduction of assurance statements and the annual review of effectiveness. Whilst our resources are stretched it is important that we prepare for the transition to the new Council and a plan of preparatory activities is being developed. As our workforce is at the heart of everything the Council does, it is essential that we prepare them too and our Employee Review process is to be refreshed and relaunched to assist with this.
- Artificial Intelligence (AI) - the capability and application of AI continues to develop. and the Council needs to adapt to the rapidly evolving technology that brings both opportunities and threats to efficient service delivery. A policy is to be developed to provide a framework for the Council's use of AI across its functions and to provide guidance to employees.

6. AGS Action Plan / Governance Improvement Plan

We have identified areas of our governance arrangements which require improvement and these are set out in an improvement plan in Annex 2. The plan is structured to identify the actions needed to improve each of the core principles of the Code of Governance.

The plan provides a summary of the work required to address the significant governance issues in the coming year and beyond where necessary. The improvement plan includes:

- Outstanding issues reported in the previous 2024/25 AGS;
- Issues identified during the 2025/26 review; and
- Actions to respond to the External Auditors recommendations from the 2024/25 Value for Money review

These ongoing significant governance issues will be monitored and reported on quarterly to the Audit and Governance Committee as part of the annual governance review process.

Governance Improvement Plan for 2026-27

No	Action	Lead Officer	Revised Timescale
1	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law		
1.1	Behaving with Integrity - Code of Conduct for Employees and Values to be rolled out across the Council and awareness training provided	Head of Business Support and Assurance	Rollout in Quarter 1 Training in Quarter 2
1.2	Ethical Values - Update the Anti-Fraud and Bribery Framework and the Confidential Reporting Framework (External Audit - Significant Recommendation 3)	Chief Internal Auditor and Risk Manager	Completed April 2026
1.3	Ethical Values - Develop a fraud risk register (Outstanding action from 25/26)	Chief Internal Auditor and Risk Manager	Quarter 2
1.4	Ethical Values - declaration of conflict of interests - awareness to be raised and annual review to be built into Employee Review process	Head of Business Support and Assurance / HR Manager	Quarter 1 - awareness raising Quarter 2 - Employee Review process
1.5	Respecting the rule of law - managers checks on compliance with the law and local policies/guidance needs to be evidenced. Guidance on this to be issued	Head of Business Support and Assurance / Chief Internal Auditor and Risk Manager	Quarter 3
2	Ensuring openness and comprehensive stakeholder engagement		
2.1	Openness - Checklist to be introduced to ensure that Legal, Financial and HR implications in committee reports are completed and signed off by the relevant professional officers	Head of Law and Governance	Quarter 2

No	Action	Lead Officer	Revised Timescale
2.2	Reports which are not coming to Leadership Team for consideration prior to going to Cabinet, Council etc. must be identified and agreement reached in advance - to be embedded into sign-off checklist (action above)	Leadership Team	Quarter 2
2.3	Engaging with Stakeholders - plan of key consultation for next 2 years to be developed	Communications Manager	Quarter 2 - dependent on Leadership Team completing work plans
3.	Defining the vision and outcomes for the local area and determining the actions necessary to achieve the intended outcomes		
3.1	Ensuring VFM - Put in place a formal SLA with Staffs County Council re the shared procurement arrangements Due to the advent of LGR, this is not deemed a priority. Working practices have been in place for several years and this will continue for the foreseeable future. Should LGR be delayed then this will be revisited. External Audit - Other Recommendation 3)	Head of Business Support and Assurance	No further action
3.2	Ensuring VFM - Provide regular reports to Members on single tender waivers. Waivers to be reported on to the Responsible Council Scrutiny Committee quarterly. External Audit - Other Recommendation 3)	Head of Law and Governance	Quarter 1 onwards

No	Action	Lead Officer	Revised Timescale
3.3	Ensuring VFM - Update the contracts register and ensure it is compliant with transparency requirements - to be updated as part of the preparations for LGR. This will also include the development of a plan of those contracts which need to be re-tendered in the next 2 years. External Audit - Other Recommendation 3)	Head of Business Support and Assurance and Leadership Team	Quarter 1 Quarter 2
3.4	Fair access to services - Equality, Diversity and Inclusion Policy, Equality Impact Assessment Template and guidance to be updated and training provided	Head of Business Support and Assurance and HR Manager	Quarter 2
4.	Determining the interventions necessary to achieve the intended outcomes		
4.1	Performance Management - Develop a data quality policy or similar process for providing assurance on KPIS as part of performance management reporting Whilst it is acknowledged that it would be useful to have a data quality policy, in light of limited capacity and LGR it has been agreed not to implement this recommendation. It would take several months to develop the policy and would at best have 18 months of use, assuming that LGR proceeds to the current timetable. (External Audit - Other Recommendation 2)	Head of Business Support and Assurance	No further action
4.2	Develop work plans for all Heads of Service for the next 2 years to manage the lead up to LGR. To include the development of a performance reporting framework for Leadership Team (Outstanding action from 25/26)	Deputy Chief Executive (Resources) and Deputy Chief Executive (Place)	Quarter 1

No	Action	Lead Officer	Revised Timescale
4.3	Review of service delivery information (KPIs) and approach to service improvements to identify what information is being collected and to assess and fill any key gaps.	Head of Business Support and Assurance and Leadership Team	Quarter 3
4.4	Facilitated session with Leadership Team to progress developing a culture of ownership and accountability.	Deputy Chief Executive (Resources) and S151 Officer and Head of Business Support and Assurance	Quarter 3
4.5	Provide training for key officers (LT, Service Managers and relevant Principal Officers/Team Leaders) on project management. (Outstanding action from 25/26)	Deputy Chief Executive (Resources) and S151 Officer and Head of Business Support and Assurance	Quarter 2
5.	Developing the entity's capacity, including the capability of its leadership and the individuals within it		
5.1	Statutory Officer (Golden Triangle) meetings to be formally established with an agenda designed to cover governance issues	Deputy Chief Executive - Resources	Quarter 1
5.2	Employee induction process to be refreshed	HR Manager	Quarter 3
5.3	Employee review process to be refreshed and relaunched	HR Manager	Quarter 2
5.4	Complete review of hybrid working and develop a hybrid working policy. (Outstanding action from 25/26)	Head of Business Support and Assurance and HR Manager	Quarter 2

No	Action	Lead Officer	Revised Timescale
6.	Managing risks and performance through robust internal control and strong public financial management		
6.4	Risk Management - Put in place directorate/departmental risk registers for all service areas - Risk registers to be subject to regular review to ensure mitigating actions are being taken - to be done quarterly - Process to be put in place to escalate risks to the strategic risk register where appropriate - and significant risks identified from the quarterly reviews will be reported to Leadership Team for inclusion in the Strategic Risk Register (External Audit - Significant Recommendation 2)	Head of Business Support and Assurance, Chief Internal Auditor and Risk Manager and Leadership Team	Quarter 2
6.5	Deliver the health and safety action plan which aims to embed a proactive Health and Safety culture. The key actions include: - Update the overarching Health and Safety Policy - Deliver targeted training to Leadership Team and Managers - Determine a programme for reviewing and updating Health and Safety policies	Head of Business Support and Assurance and Chief Internal Auditor and Risk Manager	Quarter 2 Quarter 2 Quarter 3

No	Action	Lead Officer	Revised Timescale
6.1	Financial Management - Ensure adequate capacity in the Finance Team - efforts will continue to recruit to vacancies in the Finance Team and/ or to continue to use agency staff where appropriate. Ensure that budget holders receive formal financial monitoring reports - it is unlikely that the resourcing situation will improve sufficiently to increase reporting from half yearly to quarterly. Produce draft financial statements in line with statutory requirements and work with external auditors to deliver the audits effectively (External Audit - Significant Recommendation 1)	Deputy Chief Executive (Resources)	Quarter 2 - End of Summer 2026
6.2	Financial Management - Review the need to implement further savings ahead of LGR given the potential funding gaps identified in 26/27 and 27/28 as a result of changes to the financial settlement after the MTFS and 26/27 budgets were approved in January 26 Due to the high uncertainty around the settlement and the previous late interventions by central government to ensure no decrease in core funding, a savings programme is not deemed appropriate for 2026/27 at this stage. There are sufficient reserves in place to be able to prudently adopt this approach should central government not change the current settlement amounts. (External Audit - Other Recommendation 1)	Deputy Chief Executive (Resources)	No further action
6.3	Review of Financial Regulations and training for managers (Outstanding action from 2025/26)	Deputy Chief Executive (Resources) and S151 Officer	Quarter 2

No	Action	Lead Officer	Revised Timescale
6.6	Develop a structured approach / framework to the management of corporate assets	Head of Housing and Corporate Assets and Corporate Asset Manager	Quarter 4
6.7	Assurance and Scrutiny - Development of Assurance Model, to include: • Annual Assurance Report for Health and Safety • Annual Assurance Report for Technology • Heads of Service Assurance Statements (Outstanding action from 2025/26)	Head of Business Support and Assurance and Chief Internal Auditor and Risk Manager	• Quarter 2 • Quarter 1 • Quarter 1
6.9	Data and IT Security - AI policy to be developed	Technology Manager	Quarter 2
6.10	Data and IT Security - Ensure that annual refresher training is undertaken	Technology Manager / Data Protection Officer	Quarter 4
7.	Implementing good practices in transparency, reporting and audit to deliver effective accountability		
7.1	Develop a lessons learnt approach e.g. from projects and complaints. Initial discussion to be held with Leadership Team to establish any current best practice and build on this	Head of Business Support and Assurance and Leadership Team	Quarter 3
8.	General / Other		
8.1	Training and reminders for managers on good governance and key components of the framework (Outstanding action from 2025/26)	Deputy Chief Executive (Resources), Head of Business Support and Assurance and Head of Law and Governance	Quarter 2