Audit and Scrutiny Committee
16 July 2026

ANNUAL GOVERNANCE STATEMENT 2025-2026

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author:	Will Mace, Corporate Governance and Strategy Manager
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1: Annual Governance Statement 2025-2026

Summary

The Annual Governance Statement ("Statement") is an important document which provides assurance concerning the Council's governance arrangements, both financial and non-financial. It is prepared on an annual basis for inclusion in the Statement of Accounts.

The Statement is taken to Audit and Scrutiny Committee for approval, usually in July, as per its terms of reference. Please note the information within the Statement is accurate as of 1 July 2026 (as per its production timeline).

Recommendation (s)

The Committee is asked to:

(1) Approve the 2025-26 draft Annual Governance Statement as set out at Appendix 1, prior to it being signed by the Chief Executive and the Chair of the Strategy and Resources Committee.

(2) Nominate and authorise the Chief Finance Officer, in consultation with the Chair and Vice-Chair of Audit and Scrutiny Committee, to make any required amendments to the Annual Governance Statement prior to its submission with the Statement of Accounts.

1 Reason for Recommendation

1.1 To comply with the Accounts and Audit Regulations 2015, the Council must prepare an annual statement which appraises its internal control environment, that is the set of processes, standards and structures that underpin the effective running of the Council. This is referred to as the Annual Governance Statement ("Statement"), and forms part of the annual financial statements.

2 Background

2.1 Our governance arrangements aim to ensure that: we set and meet objectives; act lawfully, openly and honestly; and do the right things in the right way. In addition, these arrangements also create a framework in which all monies and resources are accounted for, safeguarded, and used efficiently and effectively.

2.2 The Statement is an important document which provides assurance concerning our governance arrangements, both financial and non-financial. It is prepared on an annual basis for inclusion in the Statement of Accounts. Before the Chief Executive and Chair of Strategy and Resources Committee certifies the statement, it is presented to the Audit and Scrutiny Committee for approval.

2.3 The Statement is attached at Appendix 1.

2.4 The Statement was prepared with reference to the Council's Code of Corporate Governance, and in consultation with senior management (via Divisional Assurance Statements), and the three statutory officers: Head of Paid Service (Chief Executive), Chief Finance and Section 151 Officer, and Monitoring Officer. The Chief Internal Auditor's opinion is included in the Statement, which provides independent assurance over our systems of internal control and risk management.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

3.1.1 No direct implications.

3.2 Crime & Disorder

3.2.1 No direct implications.

3.3 Safeguarding

3.3.1 No direct implications.

3.4 Dependencies

3.4.1 Not applicable for this report.

3.5 Other

3.5.1 There are no other implications with this report. Although notably, the report is a form of risk assessment, as it provides the Council's assessment of its own governance and systems of internal control. Where improvements have been identified, they are listed in the Statement's action plan.

3.5.2 If committee members have a detailed question(s) on particular elements of this report (including its appendices), it is requested that these be submitted in advance of the meeting where possible, to enable officers time to prepare complete answers in consultation with the relevant service manager(s).

4 Financial Implications

4.1 **Section 151 Officer's comments**: There are no financial implications arising through the preparation and publication of the Statement.

5 Legal Implications

5.1 In order to comply with Regulation 6 of the Accounts and Audit Regulations 2015, the Council must prepare and approve an Annual Governance Statement (Statement). Regulation 10 of the 2015 regulations requires the Council to publish the Statement alongside the adopted statement of accounts.

5.2 **Legal Officer's comments**: None arising from the content of this report.

6 Policies, Plans & Partnerships

6.1 **Council's Key Priorities**: The following Key Priorities are engaged:

- Not applicable.

6.2 **Service Plans**: The matter is included within the current Service Delivery Plan.

6.3 **Climate & Environmental Impact of recommendations**: No direct implications.

6.4 **Sustainability Policy & Community Safety Implications**: No direct implications.

6.5 **Partnerships**: No direct implications.

6.6 **Local Government Reorganisation Implications**: No direct implications.

7 Background papers

7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- *Annual Governance Statement 2024–2025*, Council, 9th December 2025. Online available: Epsom and Ewell Democracy [last accessed 05/06/2026].

- *Annual Governance Statement 2024–2025*, Audit and Scrutiny Committee, 17th July 2025. Online available: https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=157&MId=1796 [last accessed 05/06/2026].

Other papers:

- *Code of Corporate Governance Annual Review 2025*, Audit and Scrutiny Committee, 5th February 2026. Online available: Epsom and Ewell Democracy [last accessed 05/06/2026].