

Annual Governance Statement 2025/26

Actions from the Annual Governance Statement

The 2024/25 Annual Governance Statement Action Plan included 8 areas where enhancements would improve the efficiency of systems and processes across Berneslai Homes. Of these, 5 actions from 2024/25 have been carried forward into the 2025/26 action plan and the 3 other actions have been delivered (see below):

- a. **Develop a comprehensive suite of management plans and process maps to ensure full compliance with Awaab's law and provide Damp and Mould training in advance of implementation of Awaab's law** – the plans and process maps were completed in readiness for Awaab's law from October 2025
- b. **C365 Compliance system** – use of this was extended to include the monitoring of fire actions.
- c. **To complete a formal review of the Asset Management Strategy** – the review of the current strategy was completed and will inform the review of a new Asset Management Strategy from 26/27.

1. INTRODUCTION

- 1.1 Berneslai Homes has adopted the principles outlined in the CIPFA/SOLACE Framework as part of our internal control framework, 'Delivering Good Governance in Local Government' (2016) and Addendum (2025).
- 1.2 The CIPFA/SOLACE 'Delivering Good Governance in Local Government Framework (2016)' requires local authorities to publish an Annual Governance Statement, and to be responsible for ensuring that:
 - a) Their business is conducted in accordance with all relevant laws and regulations.
 - b) Public money is safeguarded and properly accounted for.
 - c) Resources are used economically, efficiently, and effectively to deliver agreed priorities and benefit local people.
 - d) An annual review of governance is undertaken
- 1.3 Berneslai Homes also has a duty to:
 - a) Make arrangements to secure continuous improvement in the way in which its functions are exercised.
 - b) Put proper arrangements for the governance of its affairs in place.
 - c) Implement and maintain effective processes of internal control, including appropriate arrangements to manage risk.
- 1.4 Berneslai Homes' Audit & Risk Committee and the Board reviews governance arrangements, risk registers and associated quarterly performance reports. Their role is to recommend improvements or interventions if expected performance is not being achieved, or if gaps in current governance arrangements have been identified.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 The governance framework comprises the systems, processes, cultures and values which underpin how Berneslai Homes are controlled and managed internally, and how we engage with our tenants and residents.
- 2.2 The governance framework enables Berneslai Homes to monitor delivery of its strategic objectives and assess whether those objectives are securing service improvements and value for money. Systems of internal control and risk management are a significant part of the governance framework and are designed to manage risk down to a reasonable level. Some risks can never be eliminated entirely, however, and these processes provide only reasonable and not absolute assurance of effectiveness.

3. KEY ELEMENTS OF BERNESLAI HOMES GOVERNANCE FRAMEWORK

- 3.1 The Senior and Executive Management Teams have responsibility for developing and implementing internal control systems and procedures. Berneslai Homes has embedded written policies and procedures in all areas of operation. Each year, BMBC Corporate Assurance undertakes a programme of assurance reviews to evaluate the adequacy of Berneslai Homes' internal control framework and assess compliance with key policies, procedures and controls. The findings and assurance opinions arising from this work are reported to the Audit & Risk Committee.
- 3.2 The internal control framework comprises the following principal elements:
- Memorandum & Articles of Association
 - Section 27 Agreement (Services Agreement)
 - Delegations Framework
 - Strategic Plan
 - Board Governance Pack in Decision Time Resources
 - Council Contract Procedure Rules as adopted by Berneslai Homes
 - Financial Regulations
 - Employee/Board Code of Conduct
 - Housing policies and procedures
 - Risk Management Policy
 - Performance Management Framework
 - Procurement Strategy
 - Contract Management Policy
 - Prosecutions Policy
 - Budget monitoring and reporting procedures
 - SAP/EBP/Financial system procedures
 - Human Resources policies
 - People Strategy (incorporates equality, diversity and inclusion)
 - Information Management & Governance policies
 - Employee Health & Safety Policy
 - Business Continuity & Resilience plans
 - BMBC Corporate Assurance Agreed Management Actions
 - Terms of Reference for Board and Committees
 - Whistleblowing (Confidential Reporting) Policy

- Complaints Procedures
 - Corporate Debt Strategy
 - Business Planning Financials
 - Anti-Fraud & Corruption Policy
 - Value for Money Strategy
- 3.3. In 2025/26, external consultants DTP undertook a review of our governance arrangements related to Board and Committees. The recommendations were approved by Board and an action plan was developed to oversee implementation. The agreed actions have now been completed and are being embedded across the organisation to further strengthen governance, accountability and decision-making.
- 3.4 The Board sets the organisation's vision and objectives and identifies the opportunities and threats to achieve those objectives and ensures a framework of risk management is in place to obtain assurance that policies are adopted and operating effectively. The Memorandum & Articles of Association set out the objectives of the organisation's and the Board's powers and functions. The Services Agreement sets out the responsibilities delegated from the Council to Berneslai Homes.
- 3.5 The Services Agreement with the Council is in place until 2031. The governance arrangements for Berneslai Homes contained within the Agreement are:
- Independently appointed Chair.
 - Board membership of a maximum of 9 members – two tenants/leaseholders, two Council Nominees, four independents and the Independent Chair. The Sole Member representative is also an attendee at Board meetings.
 - Remuneration for all Board Members.
 - Memorandum & Articles of Association.
- 3.6 Each member of the Board undertakes a tailored induction programme, which includes the Governance Pack, and useful policies and procedures accessed in Decision Time. This information is regularly reviewed and updated to reflect on any corporate and legislative changes. The Chair undertakes annual appraisals with Board Members. The Senior Independent Director and a Committee Chair undertake an annual appraisal with the Chair.

4. FINANCIAL CONTROLS

- 4.1 Berneslai Homes uses the Council's financial system (SAP) and operates within a financial control framework aligned to Barnsley Council's arrangements. In delivering housing services on behalf of the Council, expenditure relating to the Housing Revenue Account (HRA) is managed in accordance with Barnsley Council's financial governance arrangements and oversight processes. In addition, Berneslai Homes maintains its own Financial Regulations to govern company expenditure and adopts the Council's Contract Procedure Rules, with minor amendments where required. Both documents are subject to periodic review to ensure they remain up to date and support effective financial governance.

- 4.2 A system of budget management and financial monitoring has been implemented with clear procedures. A robust financial monitoring framework is in place with direct reporting to, and consideration by, the Board who meet on a quarterly basis.
- 4.3 Corporate Assurance continues to provide independent assurance over the effectiveness of the financial control framework. During 2025/26, a review of compliance with the Financial Regulations concluded that they remained fit for purpose and resulted in a Reasonable (positive) Assurance opinion. The review identified two agreed management actions (one medium and one low) relating to supporting procedures and documentation. The Financial Regulations have subsequently been updated and are progressing through the organisation's governance approval process.
- 4.4 Corporate Assurance also reviewed the shared financial systems used by Barnsley Council and Berneslai Homes, which received a Reasonable Assurance opinion and provided assurance over the operation of key financial controls within the shared control environment.
- 4.5 In addition, an advisory review of Major Voids and Extensive Structures was undertaken. Although this review did not result in a formal assurance opinion, it identified a number of significant issues and improvement opportunities relating to governance, oversight and financial control arrangements. An action plan was developed in response and progress continues to be monitored through established governance arrangements.
- 4.6 Following Barnsley Council's review of its Contract Procedure Rules, the updated document will be reviewed and amended where necessary to reflect Berneslai Homes' arrangements before being submitted to EMT for approval in August 2026.

5. DECISION MAKING

- 5.1 All public Board meetings are open for tenants and residents to attend.
- 5.2 Decisions are recorded on the Berneslai Homes website in the form of minutes from the meeting.
- 5.3 All Board decisions are supported by detailed officer reports, which are open to the public unless they qualify as confidential.

6. HEALTH AND SAFETY AND BUSINESS CONTINUITY

- 6.1 Berneslai Homes continues to prioritise the safety and wellbeing of its tenants, staff, and contractors through a robust health and safety framework. This is underpinned by the Health and Safety Policy and supported by established governance arrangements to ensure health and safety risks are identified, monitored and managed appropriately. Health and safety performance, risks and compliance matters are monitored through the Health and Safety Management Groups and reported regularly to EMT and Board, providing oversight and challenge.

- 6.2 Berneslai Homes receives independent health and safety assurance through a range of mechanisms. The BMBC Health, Safety and Emergency Resilience Service provides the statutory Competent Person function and undertakes periodic reviews of health and safety management arrangements. During 2025/26 the results were positive with scores of 92% for Asset management, 100% for Corporate Services, 97% for Estate Services, and 97% for Repairs Maintenance and Building safety. In addition, Corporate Assurance undertook a review of the Orbis lone worker system, providing independent scrutiny of this aspect of the health and safety control framework and identifying improvement actions which have been completed.
- 6.3 In parallel, the business continuity framework continues to be developed to support organisational resilience against a range of potential disruptions, including cyber threats, extreme weather events, and public health emergencies. Business continuity plans are reviewed periodically, and exercises are undertaken where appropriate to help identify improvements and support preparedness; which ensures that critical services can be maintained or rapidly restored in the event of an incident. Berneslai Homes has enhanced its governance and compliance reporting mechanisms to ensure clear oversight and alignment with regulatory standards.

7. RISK MANAGEMENT

- 7.1 The Risk Management Framework provides the structure for identifying, assessing, managing and reporting strategic, operational and project and risks across the organisation.
- 7.2 Risks are recorded and managed through the corporate risk management system, supporting consistent risk assessment, monitoring and reporting across the organisation.
- 7.3 During 2026, Berneslai Homes will be introducing a new risk management system and refreshed Risk Management Framework to strengthen risk governance, improve visibility of risk information and support a more consistent approach to risk management across the organisation.
- 7.4 The implementation of the new Risk Management Framework will introduce a more structured approach to risk identification, review and escalation, supported by regular management oversight and reporting.
- 7.5 Key Strategic risks are reviewed by the Executive Management Team and reported quarterly to the Audit & Risk Committee and to the Board.
- 7.6 Each Directorate maintains an Operational Risk Register, which is updated regularly by lead officers as well as quarterly facilitated group reviews. The 2-yearly facilitated zero-based review of each register was undertaken in early 2026 in readiness for the introduction of the new risk system.

- 7.7 The board reviews the Risk Appetite Statement annually to ensure it remains appropriate and aligned to the organisation's objectives. The most recent externally facilitated review took place on 16 July 2025. Further amendments have subsequently been made in response to Board member. As part of the annual review of the Risk Management Policy, the Board will be asked to undertake its annual review of the Risk Appetite Statement through consideration of the Annual Risk Management Report submitted to the Audit & Risk Committee and then Board.
- 7.8 All Board reports contain a section on 'Risk Implications'. This is also the case for many other management reports. Where major projects are being implemented, separate Project Risk Registers are created, reviewed and managed for the life of the projects.
- 7.9 Risk management awareness is supported through induction, guidance and training, including areas such as fraud awareness, fire safety, health and safety, emergency planning and the application of the Risk Management Framework.

8. EXECUTIVE MANAGEMENT TEAM (EMT)

- 8.1 EMT are responsible for the overall operational management of Berneslai Homes.
- The Chief Executive is responsible for all Berneslai Homes staff and for leading the Executive Management team.
 - The Executive Directors lead the majority of services which are delivered to the tenants.
 - The Executive Management Team are responsible for safeguarding Berneslai Homes' financial position and ensuring value for money.
 - The Executive Director of Resources is appointed as the Company Secretary for Berneslai Homes.

9. HOW WE COMPLY WITH THE CIPFA/SOLACE FRAMEWORK

9.1 Berneslai Homes has arrangements in place to meet all relevant requirements of the CIPFA/Solace Framework. The seven “core principles” underpinning the Framework are set out below together with a summary of new or enhanced arrangements introduced in 2025/26.

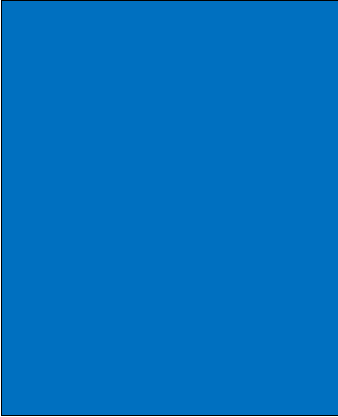
Principle	Evidence of Compliance
Principle A: Behaving with integrity and respecting the rule of law	- Codes of Conduct for Board/Committee members and officers reinforce a public service ethos and high standards of behaviour. - As part of our commitment to strong governance, the organisation has adopted the National Housing Federation (NHF) Code of Governance 2020. The Code sets out expectations to operate with integrity, accountability, and transparency, and places particular emphasis on the effectiveness of internal controls and assurance mechanisms. - These are supported by more detailed guidance such as: Whistleblowing Procedures, Anti-fraud, Bribery and Corruption policies, as well as our Financial Regulations and Contract procedure rules. - Ethical expectations for external service providers are reflected through procurement and contract management arrangements, including the Council Contract Procedure Rules as adopted by Berneslai Homes, Financial Regulations, contract terms and supplier management processes. These arrangements support compliance with relevant legislation and help ensure services are delivered in line with Berneslai Homes’ standards and values. - BMBC Corporate Assurance provides independent assurance on compliance with key policies, procedures and controls through its annual programme of assurance reviews. Findings and agreed management actions are reported to the Audit & Risk Committee and monitored through to completion. - The Anti-fraud and Corruption Policy documents have undergone their two-year review Audit & Risk Committee and are subject to approval by the Audit & Risk Committee prior to submission to Board for final approval - Berneslai Homes utilises the <u>Council’s Anti-Money Laundering Policy</u>. Whilst also undertaking the linked <u>Anti-Money Laundering Risk Assessment</u> to ensure all risks are considered. - Mandatory fraud awareness e-learning forms part of the corporate induction programme, with refresher training required every two years. The training was updated in 2025 to reflect the requirements of the Failure to Prevent Fraud Offence, with the majority of colleagues scheduled to complete the revised module during 2026. In addition, fraud awareness training delivered by Corporate Assurance commenced in 2025 and continues to be rolled out to colleagues as part of the organisation's wider fraud prevention arrangements. These arrangements form part of a wider programme of fraud prevention activity, including fraud risk assessments, policy reviews, staff communications and oversight by the Audit & Risk Committee, providing assurance that Berneslai Homes maintains appropriate arrangements for the prevention, detection and reporting of fraud. Reports on whistleblowing and fraud matters and investigations are annually collated and reported to Audit and Risk Committee and Board.

Principle B: Ensuring open and comprehensive stakeholder engagement	• Partnership working remains an important part of how Berneslai Homes delivers its strategic priorities, with established arrangements in place with Barnsley Council, contractors and other organisations to support service delivery and improvement. • Berneslai Homes gathers feedback from tenants, residents, employees and other stakeholders through a range of engagement and communication channels, including customer and employee surveys, e-bulletins, social media and the website; using this information to inform decision-making and service development. • We publish an Annual Report for tenants, setting out our performance, achievements and priorities, supporting transparency and accountability. • The Customer Insight and Engagement Strategy, approved by Board, provides the framework for customer engagement activities, including the Tenant Voice Panel, Check It Challengers, Tenant Scrutiny and newly established tenant engagement panels, which provide opportunities for customers to influence services and decision-making. • Customer feedback, complaints, scrutiny reviews and Tenant Satisfaction Measures (TSMs) are used to inform service improvements, policy development and organisational decision-making. • Tenants have the right to attend and ask questions at public Board meetings, while Board Members are encouraged to participate in estate walkabouts and community events to hear directly from customers. • During 2025/26, an external review by Tpas of the Customer Services Committee was undertaken to strengthen customer influence within the governance structure and enhance the tenant voice at Board level.
Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits:	• During 2025/26, Berneslai Homes completed a review of its Strategic Plan and Annual Business Action Plan to ensure they remained relevant and reflected the organisation's priorities, financial position and the changing external environment. The review included feedback from tenants, leaseholders, Board members, colleagues and Barnsley Council. • The refreshed Strategic Plan retains the vision of Creating Great Homes and Communities with the People of Barnsley but simplifies the organisation's strategic focus. The previous six ambitions have been streamlined into four priorities: Listening and Responding to Customers; Keeping Tenants Safe and Warm; Improving Opportunities for Employment and Training; and Increasing Efficiency and Effectiveness. Technology and Innovation, and Zero Carbon, are now embedded throughout the Plan rather than being standalone ambitions. • The revised Plan provides a clear focus for the organisation over the coming years and has been aligned to the long-term financial position of the business, ensuring priorities are achievable and deliver value for tenants while responding to the opportunities and challenges facing the social housing sector. • The Annual Business Action Plan has been aligned to the revised priorities, with delivery overseen through the Transformation Board and progress monitored through established performance and governance arrangements, including regular reporting to SMT, EMT, Barnsley Council and the Board. • Berneslai Homes demonstrates Value for Money and Best Value through its Value for Money Strategy, budget setting and monitoring arrangements, performance reporting and scrutiny of delivery against the Strategic Plan. These arrangements support the effective, efficient and economical use of resources and help ensure decisions are aligned to tenant outcomes, financial sustainability and organisational priorities. Corporate Assurance undertook a review of the Value for Money Strategy, which resulted in a Reasonable Assurance opinion.

	- Financial performance is monitored through established budget management arrangements and clear procedures. - A framework is in place to support regular reporting to, and scrutiny by, the Board, which meets six times each year. - Financial monitoring enables a realistic assessment of financial resources available to Berneslai Homes to allocate to services and projects. - The Budget, approved by the Board each year, sets out revenue and capital spending limits, savings and efficiency targets as well as key improvement priorities for the forthcoming year. - Performance and KPIs, financial and risk information is reported regularly to EMT, Audit & Risk Committee and Board, providing oversight of progress against the Strategic Plan and delivery of outcomes for tenants and communities. - Audit & Risk Committee provides independent scrutiny of risk management, internal control, assurance activity and governance arrangements, supporting oversight of whether Berneslai Homes is managing risks effectively and delivering its agreed priorities.
Principle D: Determining the intervention necessary to achieve intended outcomes:	- EMT meets monthly to review performance reports, which monitor priority activities and services through a suite of KPIs and provide an overview of key achievements, issues and areas requiring attention. - Berneslai Homes considers social value through its commissioning, procurement and contracting arrangements, supported by the Procurement Strategy, Contract Procedure Rules and contract management processes. This helps ensure that procurement decisions and contract delivery take account of wider benefits for tenants, communities and the local economy, alongside cost, quality and service outcomes. - The key performance indicators include the Tenant Satisfaction Measures (TSMs), that are reported annually to the Regulator of Social Housing. - During 2025/26, the RP02 Tenant Satisfaction Measure (TSM) was subject to independent external validation and a further five TSMs were reviewed by Corporate Assurance prior to submission to the Regulator of Social Housing. Whilst the Corporate Assurance review resulted in a Limited Assurance opinion and identified areas for improvement, the validation activity provided assurance over the accuracy and reliability of the reported measures, and improvement actions have been implemented to strengthen arrangements going forward. Where performance falls below target, EMT reviews the causes, monitors improvement actions and tracks progress to ensure issues are addressed. - Through performance monitoring, senior management, Audit & Risk Committee and Board ensure Berneslai Homes remain focused on achieving its agreed objectives and priorities. - The Board is responsible for approving key policies and procedures relating to the organisation's principal activities. During 2025/26, the Board approved a revised Policy Framework, providing greater clarity over policy ownership, approval responsibilities and review requirements, and work is now underway to embed the framework across the organisation.
Principle E: Developing capacity, including the capability of	- Berneslai Homes' 3C values underpin the way colleagues work and deliver services. - The People Strategy supports the development of a skilled, inclusive and engaged workforce, focusing on leadership, wellbeing, equality, diversity and inclusion, learning and development, and workforce planning to ensure the organisation can deliver its priorities.

leadership and individuals within the organisation	• A range of learning, development and qualification opportunities are available to help colleagues build the skills and knowledge needed to deliver the organisation's priorities, including work to support compliance with the Social Housing (Regulation) Act competency and conduct standards. • The Performance Development Review (PDR) process supports regular conversations about performance, objectives and development, helping to identify learning needs, recognise achievements and ensure individual contributions align with organisational priorities. During 2025/26, the process was refreshed to place greater emphasis on continuous feedback, learning and development, supporting ongoing work to strengthen skills, knowledge and behaviours across the organisation. • A review of the onboarding and PDR process for Craft employees will be undertaken during 2026, with any identified improvements implemented thereafter. Leadership development continued during 2025/26 through a combination of in-person sessions, organisational learning activities, targeted development opportunities and the Leadership Forum. This included Recruitment and Selection, effective performance management, finance training for budget managers, report writers training, risk management training, and Equality Impact Assessment training to support effective decision-making and service delivery. • Financial management roles and responsibilities are set out through Berneslai Homes' financial governance arrangements, including Financial Regulations, budget management procedures, delegated authority arrangements and the role of budget holders and align with the CIPFA Management code . • Work also progressed during 2025/26 to prepare for implementation of the Competence and Conduct Standard, including completion of a qualifications audit and identification of roles within scope of the requirements. In addition, work will commence to define leadership standards, with a review of the Code of Conduct planned for 2026 to help strengthen behavioural expectations and inform future leadership and organisational development activity.
Principle F: Managing risks and performance through strong internal control and financial management:	• The Risk Management Framework was refreshed during 2025 and 2026 to strengthen the identification, assessment and monitoring of risk. Strategic and operational risk registers are reviewed regularly, with significant risks and emerging issues monitored by the Executive Management Team and reported to the Audit & Risk Committee and Board. Audit & Risk Committee and Corporate Assurance assess the effectiveness of the governance, risk management and internal control framework and an annual assurance opinion of reasonable (positive) was provided for 2025/26. Berneslai Homes has a strong track record in financial management, delivering services within budget and producing high-quality annual accounts, although the 2025/26 accounts were submitted one month after the statutory deadline. • Financial management arrangements are supported by Financial Regulations, budget setting and monitoring procedures, delegated authority arrangements and regular financial reporting to EMT and Board. These arrangements support alignment with the principles of the CIPFA Financial Management Code by providing clear responsibilities, financial planning, monitoring, control and oversight. • Internal control arrangements cover key operational and corporate areas, including asset management, procurement and contract management. These are supported by the Asset Management Strategy, Procurement Strategy, Contract Procedure Rules, Contract Management Policy, Financial Regulations and

	Corporate Assurance reviews, with findings and agreed management actions reported through established governance arrangements. • During 2025/26, the Corporate Assurance advisory review of Major Voids and Extensive Repairs raised significant concerns in relation to governance, oversight and financial control arrangements. An action plan was developed in response, with agreed management actions monitored through established governance arrangements. • BMBC Corporate Assurance provides Berneslai Homes' internal audit service and operates in line with the Global Internal Audit Standards, the Application Note for the UK Public Sector and the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government. The Audit & Risk Committee considers the annual assurance plan, activity reports and annual opinion, providing oversight of internal audit arrangements. • Counter-fraud arrangements are supported by BMBC Corporate Assurance and the Corporate Anti-Fraud Service, which operate in accordance with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption. Fraud risks, prevention activity, investigations and outcomes are reported through established governance arrangements, including the Audit & Risk Committee where appropriate. • During 2026, Berneslai Homes will work to strengthen its annual internal controls self-assessment process with an Assurance Mapping exercise undertaken by SMT and key officers and reviewed by EMT before consideration by the Corporate Assurance team, Audit & Risk Committee and Board in August/September 2026. The Assurance Map links strategic risks to sources of assurance, governance arrangements, performance information and customer scrutiny, and identified no fundamental weaknesses in the organisation's governance, risk management and control arrangements, although several areas for further improvement were highlighted and are being addressed during 2026/27. In addition to this, a review by individual governance leads was carried out to prompt consideration of the existence and adequacy of governance arrangements during 2025/26. • During 2026, a revised Delegations Framework will be developed and submitted for Board approval, providing clearer decision-making responsibilities and approval levels, strengthening accountability and supporting effective governance across the organisation.
Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability:	• Berneslai Homes follows Government guidance on providing clear and accurate information and has developed both its website and the format of reports to improve transparency and accessibility. • Reports (including performance reports) and minutes of meetings, key decisions, and all items of expenditure and contracts awarded over £500 are published on Berneslai Homes website. • Berneslai Homes' collaborative, arm's length and contractual arrangements are supported by formal governance documents, including the Services Agreement with Barnsley Council, Memorandum and Articles of Association, Board and Committee Terms of Reference, Financial Regulations and Contract Procedure Rules. These arrangements help ensure roles, responsibilities, decision-making and reporting routes are clear, transparent and accountable. • All Board meetings are held face to face and tenants can attend the public Board, and minutes of meetings are available on Berneslai Homes website.

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- Customer Services and Audit & Risk Committee summaries and decisions are published on our website.
 - BMBC Corporate Assurance provides independent assurance on the adequacy and effectiveness of governance, risk management and control arrangements, with agreed management actions monitored through to completion by management and the Audit & Risk Committee.
 - The Audit & Risk Committee receives regular reports on risk management, areas of governance, internal audit activity, external audit activity, financial management and assurance activity, providing independent scrutiny and challenge on behalf of the Board.
 - Berneslai Homes publishes its Annual Report, Annual Governance Statement and financial statements, providing stakeholders with information on organisational performance, governance arrangements and financial stewardship.
 - Performance, customer satisfaction, complaints and regulatory compliance information is reported regularly to the Board and Committees, supporting transparency, scrutiny and accountability for service delivery.

10. REVIEW OF EFFECTIVENESS

10.1 EMT is responsible for putting in place adequate governance arrangements and effective systems of internal control.

10.2 Berneslai Homes uses several ways to review and assess the effectiveness of governance arrangements, as set out below:

Assurances from Internal and External Audit 2025/26

10.3 The Council's Corporate Assurance Team provides assurance (internal audit) coverage through a Service Level Agreement. The role of the Corporate Assurance Team is to operate both independently and objectively. The Audit & Risk Committee agrees an annual assurance (internal audit) plan and a Corporate Assurance activity report is provided at the quarterly Committee meetings.

10.4 Global Internal Audit Standards UK Public Sector (GIAS) require the Head of Corporate Assurance to provide an annual assurance opinion on the overall adequacy and effectiveness of Berneslai Homes governance, risk management and internal control framework. This opinion is expressed using a scale ranging from Substantial to Reasonable (positive), then Limited and finally No Assurance (negative).

10.5 The annual report and opinion of the Head of Corporate Assurance was presented to the Audit & Risk Committee in June 2026. It provided for a Reasonable (positive) annual assurance opinion. The opinion recognised positive engagement from management in strengthening controls, whilst highlighting the importance of completing agreed improvement actions arising from assurance.

10.6 The following areas influenced the annual assurance opinion:

10.6.1 During 2025/26, the Corporate Assurance Team completed eight assurance reviews and one advisory review. Of the assurance reviews, one received a Substantial Assurance opinion, four received Reasonable Assurance opinions and three received Limited Assurance opinions. One advisory review was also completed and therefore did not receive a formal assurance opinion.

10.6.2 The three limited assurance opinions were in relation to Contract Management Arrangements, Employee Health and Safety Arrangements, and Consumer Standards: Tenant Satisfaction Measures (TSMs). The reviews identified weaknesses in the operation of key controls, including the consistent application of procedures, management oversight, contract governance, and data validation and assurance processes. Management accepted the findings and agreed action plans to address the issues identified. Actions arising from the Employee Health and Safety Arrangements review and the Consumer Standards: TSMs review have been completed, while actions arising from the Contract Management Arrangements review remain in progress and continue to be monitored through the Company's assurance framework and reported to the Audit & Risk Committee.

- a) Contract Management Arrangements – A limited assurance opinion identified weaknesses in the consistency and maturity of contract management arrangements, including the application of the contract management framework, contract oversight and performance monitoring processes. Improvement actions are being implemented to strengthen arrangements across the organisation.
- b) Employee Health and Safety Arrangements – A limited assurance opinion identified opportunities to improve the consistent application of lone working controls, including training, system administration and management oversight. All agreed actions have now been completed.
- c) Consumer Standards: Tenant Satisfaction Measures (TSMs) – A limited assurance opinion identified weaknesses in the validation, quality assurance and supporting evidence underpinning TSM reporting and regulatory submissions. All agreed actions have now been completed.

10.6.3 In forming the annual opinion, the Head of Corporate Assurance also considered advisory work, anti-fraud activity, investigations and the follow-up of agreed management actions undertaken throughout the year.

Title of Review & Date of Formal Report	Assurance Opinion	No. / Priority of Implications and Control Adequacy / Application	Progress on High and Medium Priority Management Actions (position reported to Audit & Risk Committee in June 2026)
Contract Management Arrangements 17/06/2025	Limited	H – 1 M – 5 L – 1 Adequacy – 4 Application – 3	Two management actions have been completed. The remaining actions are not yet due and progress remains on track.
Employee Health & Safety Arrangements 17/06/2025	Limited	H – 1 M – 4 L – 2 Adequacy – 2 Application – 5	The majority of management actions have been implemented, with the remaining actions continuing to be monitored.
Major Voids and Extensive Structures 11/07/2025	Advisory – No Opinion	H – 4 M – 7 L – 1 Adequacy – 7 Application – 5	Four management actions have been completed. The remaining actions are not yet due and continue to be monitored.
Governance Best Practice (NHF Code of Governance Self-Assessment) 21/07/2025	Substantial	H – 0 M – 0 L – 1 Adequacy – 0 Application – 1	The management action arising from the review continues to be monitored.
Leaseholder Charges 01/08/2025	N/A	N/A	N/A.
Value for Money Strategy 20/08/2025	Reasonable	H – 0 M – 3 L – 3 Adequacy – 5	Three management actions have been completed and the remaining actions continue to be monitored.

		Application – 1	
Sickness Absence 26/08/2025	Reasonable	H – 0 M – 3 Adequacy – 4 Application – 3	Progress position not specified in the annual report.
Consumer Standards – Tenant Satisfaction Measures (TSMs) 28/08/2025	Limited	H – 3 M – 0 L – 4 Adequacy – 3 Application – 1	Most management actions have been implemented, with one remaining action continuing to be monitored.
Financial Regulations Compliance 08/12/2025	Reasonable	H – 0 M – 1 L – 1 Application – 2	The remaining management actions are not yet due and progress remains on track.
Shared Financial Systems 26/03/2026	Reasonable	H – 0 M – 3 L – 1 Adequacy – 1 Application – 3	Most management actions have been implemented, with one remaining action continuing to be monitored.

- 10.7 BDO were appointed as Berneslai Homes auditors for the FY 2025/26. The External Audit Letter from BDO provides an independent assessment of the financial statements and confirms compliance with accounting standards and reporting integrity. The Board will consider the Audit Letter when approving the annual report and financial statements on 24th September 2026, once the annual report and financial statements are approved, they will be published and submitted to Companies House.

Self-assessment and review of key performance indicators

- 10.8 Berneslai Homes used two complementary review processes to assess the effectiveness of its governance arrangements and identify areas for improvement. The first was the organisation's Assurance Mapping exercise, which linked strategic risks to key sources of assurance, performance information, customer challenge and oversight arrangements. This helped identify where assurance was strong, where further evidence was needed and where improvement actions should be taken forward.
- 10.9 The second was the [Annual Governance Review self-assessment](#), which replaced the previous domain compliance questionnaire. This was completed by Heads of Service and Directors and focused on governance, risk management, internal controls and compliance within their areas of responsibility. Together, the Assurance Map and self-assessment outcomes have informed the 2026/27 action plan and support preparation of the Annual Governance Statement.
- 10.10 These mechanisms of review contribute to the overall assurance of the Annual Governance statement. The key sources of assurance include 2025/26:
- BMBC Corporate Assurance Annual Report.
 - Risk Management Annual Report.
 - Performance Management Reports.

- d) External Audit and Inspection findings, including the External Audit Annual Audit Letter.
- e) Health and Safety Annual Report.
- f) Annual Complaints and Learning Report, including complaints referred to and investigated by the Ombudsman.
- g) Review of the 2025/26 AGS Action Plan.

10.11 During 2025/26, the Audit and Risk Committee further enhanced its assurance arrangements through the introduction of annual Whistleblowing and Assurance Register reports. These reports provide additional oversight of governance, compliance and organisational accountability. Key governance performance measures are summarised below.

Local Government Ombudsman referrals upheld	0
Information Commissioner referrals upheld	There were no cases investigated by the ICO during the year that were upheld.
Internal audit reports	8
Freedom of Information requests (performance)	74 requests. One FOI request was responded to outside of the statutory timescale, it was one-day late due to delayed service approval.
Annual Accounts	Submitted one month after the statutory deadline. Additional controls have since been introduced to prevent recurrence.
Proven frauds carried out by Board members or members of staff	0
Whistleblowing reports	2 - all dealt with appropriately

Data Protection/Information Management

Data Incidents:

10.12 There were 28 actual personal data breaches during 2025/26. All breaches were assessed as low risk and none required reporting to the Information Commissioner.

Incident Type	2022/23	2023/24	2024/25	2025/26
Actual breaches	24	24	26	28

10.13 To help minimise both the number and severity of incidents, the Data Protection Team maintains a proactive management approach focused on prevention, awareness and continuous improvement, supported by a positive reporting culture that encourages staff to report incidents without fear of blame.

Records Management:

- 10.14 The Senior Information Risk Owner (SIRO) Annual Report is an appendix to the Annual Governance Statement. It has been prepared to provide assurance to the SIRO and the Audit and Risk Committee that Berneslai Homes has sufficient policies and procedures in place to effectively manage its information. The report highlights key activities that have been delivered over 2025/26 and identifies actions for 2026/27 (**Appendix D**).

Annual Fraud Update

- 10.15 Berneslai Homes investigated 60 allegations of tenancy fraud during 2025/26. Of these, 32 were referred back to Berneslai Homes as tenancy management issues rather than a POSHFA (The prevention of Social Housing Fraud Act 2013) / fraudulent activity: 16 resulted in no findings, and one was referred to Planning Enforcement. Investigations also led to two succession applications being refused, one property being recovered and one tenancy being terminated, with seven cases remaining under investigation at year-end. These arrangements support the organisation's commitment to preventing, detecting and responding to fraud and tenancy abuse.

Details	2023/24	2024/25	2025/26
Alleged application fraud – no evidence of fraud	2	6	2
Alleged application fraud – property recovered	0	0	1
Alleged non-residency – no evidence of fraud	21	16	2
Property recovered due to tenant's non-residency	3	1	0
Parting With Possession – no evidence of fraud	5	2	2
Parting With Possession – property recovered	0	1	0
Alleged fraudulent attempt to succeed tenancy – no evidence of fraud	2	2	3
Prevention of false attempts to succeed tenancy	2	0	2
Allegation of sub-letting - no evidence of fraud	5	12	4
Allegation of sub-letting – tenancy terminated	0	1	1
Referred back to Berneslai Homes to deal with as breach of tenancy	0	21	32
Other cases – no evidence of fraud	0	0	3
Other cases – referred to Planning Enforcement	0	0	1
Ongoing	35	5	7
Total	75	67	60

- 10.16 The [Anti-Money Laundering Risk Assessment](#) has been subject to its annual review to ensure money laundering risks are identified, assessed and managed appropriately, providing assurance that effective controls are in place to protect the organisation from financial crime.
- 10.17 The Anti-fraud and Corruption Policy documents have undergone their two-year review and are presented for approval as part of the control framework that supports the Annual Governance Statement. Keeping these documents up to date provides assurance that Berneslai Homes has appropriate arrangements in place to prevent, detect, report and respond to fraud, bribery, corruption and whistleblowing concerns. Following consideration by the Audit & Risk Committee, the policies will be submitted to Board for final approval. As part of the review, administrative changes have been made throughout. The only procedural change is to the Whistleblowing Policy, which now includes the Senior Independent Director as an escalation route for EMT and the Chair to report concerns.
- 10.18 Link to Policy Documents in Decision Time:
Appendix E – Anti Fraud and Corruption Policy
Appendix F – Anti Bribery Policy
Appendix G – Prosecutions Policy
Appendix H – Whistleblowing Policy
Appendix I – Fraud Response Plan

Conclusion

- 10.19 The review concluded that the organisation's core governance arrangements, including risk management, financial management, internal audit, performance management, information governance, business continuity, counter fraud and customer scrutiny arrangements, were operating effectively during 2025/26.

11. CHANGES TO THE GOVERNANCE FRAMEWORK

- 11.1 During 2025/26, Berneslai Homes strengthened its governance framework through the introduction of an Assurance Mapping approach and a number of improvements arising from the independent DTP governance review, including revised Board and Committee Terms of Reference and updated work plans. Further governance improvements, including the implementation of a refreshed Delegations Framework, a new Policy Framework, and the introduction of annual Whistleblowing and Assurance Register reports to the Audit and Risk Committee, will be progressed during 2026.

12. KEY GOVERNANCE ISSUES

- 12.1 The 2024/25 Annual Governance Statement identified eight actions to strengthen governance arrangements. The five actions that remain outstanding have been carried forward and are reported within the 2026/27 Governance Action Plan, alongside any new improvement actions identified through the 2025/26 Annual Governance Review.

13. CONCLUSION

- 13.1 Based on the review undertaken and informed by the sources of assurance set out in this Statement, including internal and external audit activity, the Assurance Mapping exercise, Governance Review Self-Assessments by SMT and EMT, risk and performance reporting, governance reports and oversight by EMT, the Audit & Risk Committee and Board, Berneslai Homes is satisfied that its governance arrangements were fit for purpose during 2025/26 and support the achievement of organisational objectives.
- 13.2 Whilst no fundamental weaknesses were identified, a number of improvement areas have been identified and will be progressed during 2026/27. These include both new actions arising from the 2025/26 Annual Governance Review and actions carried forward from 2025/26 that remain in progress.

Action	Responsible officer	Implementation Date
Following Barnsley Council's review of its Contract Procedure Rules, the updated document will be reviewed and amended where necessary to reflect Berneslai Homes' arrangements before being submitted to EMT for approval in August 2026.	Head of Strategy, Governance and IT	31 August 2026
Financial Regulations to be reviewed and updated and rolled out during 25/26. (carried over from 25-26 Action Plan – was due Dec 2025)	ED Resources	Action delayed to March 2027 – Progress on this action has been delayed pending input from the necessary leaders. The document is currently in draft.
Improve quality and relevance of KPIs to enable performance management and improve ASB tenant satisfaction measure. (carried over from 25-26 Action Plan – was due Mar 2026)	Head of Housing Management	Action extended to Q3 2026/27 to allow the new Head of Housing Management to take ownership of the work.
Implement a Project Management policy and procedure to support work of Transformation Board. (carried over from 25-26 Action Plan – was due Sept 2025)	Head of Finance	Action delayed to October 2026 Due to resource issues.
To agree what level of oversight is required for the People Strategy (Action from Assurance Mapping)	Head of People and Culture	31 December 2026

Action	Responsible officer	Implementation Date
Full review of training and development offer, including new training matrix, Leadership & Development and the PDR process. (carried over from 25-26 Action Plan – was due Dec 2025)	Head of People and Culture	Action extended to December 2026 PDR process completed, however, work underway to finalise Craft approach. The People and Culture team working with new Chief Executive to define the leadership standards.
People, Workforce and Organisational Culture: There is an inconsistency with completing 121s and PDRs – to strengthen monitoring and reporting of completions, with follow-up through EMT and line management arrangements.	Head of People & Culture	December 2026
Review the Customer and Estate Services performance reports ahead of the transition to Power BI, ensuring reporting focuses on the right issues, at the right level, and supports effective management oversight and decision-making.	Head of Housing Management / Head of Customer Services	December 2026
Direct significant resources from Customer and Estate Services to reduce the number of voids to 151 or below. (carried over from 25-26 Action Plan – was due Mar 2026)	ED Property Services / Head of RMBS / Head of Housing Management	Action extended 1 March 2027 The Void Task Team has delivered significant improvements in processes and monitoring, contributing to a reduction in void levels. While further improvement is needed, the team will continue with reduced resources. Four Neighbourhood Officers will return to their substantive roles, supported by strengthened viewing and sign-up processes, while the remaining four team members will continue in post until the end of the financial year. The focus will now be on reducing the number of properties in works and improving contractor information to enable timely advertising and sign-ups.
Recruitment approvals and establishment controls require clarification to support consistent workforce planning and decision making. Approvals process for recruiting is being reviewed to develop a clear establishment for the organisation.	Head of People & Culture	March 2027
Employee Code of Conduct is under full review, including engagement with tenant representatives.	Head of People & Culture	March 2027
Review the Warning Indicator Policy as part of the wider review of warning indicators, which are alerts recorded on customer records to help staff manage contact or visits safely.	Head of Customer Services	March 2027

Action	Responsible officer	Implementation Date
Introduce annual reporting to EMT and Board on safeguarding compliance, risks and improvement actions to strengthen oversight and assurance.	Head of Housing Management	March 2027
Introduce annual reporting to Audit & Risk Committee on tenancy fraud activity, outcomes and recovery action to strengthen oversight and assurance.	Head of Housing Management	June 2027
Contract Management: Implement and monitor the agreed management actions, ensuring improvements are embedded across services and evidence of consistent contract management is maintained.	Head of Strategy, Governance and IT	August 2027
Review and refine financial planning assumptions alongside the stock option appraisal model to support clear, evidence-based investment and service planning decisions.	Head of Asset Management / Finance lead	August 2027
Develop and implement project management framework, training and monitoring arrangements covering roles, approvals, governance, reporting, risk and issue management, change control and benefits tracking.	Head of Strategy, Governance and IT	March 2028