



Cotswolds Conservation Board

Assurance Review of Smaller Authorities Proper Practices
Panel (SAPPP) Review

June 2026

Revised Final

Executive Summary



KEY STRATEGIC FINDINGS	
GF	The organisation operates within a comprehensive governance structure, supported by an up-to-date Constitution, Financial Regulations and detailed Finance Manual, which together outline clear roles, responsibilities and financial control arrangements.
C	Financial controls, including budget setting, monitoring, reconciliations and reporting, are operating effectively, with regular scrutiny by the Finance and Governance Committee and Board, with no significant issues identified through sample testing.
C	The Constitution states that the Board is responsible for ensuring the organisation is appropriately insured; however, the Board does not currently review or approve insurance arrangements on a periodic basis.
C	The Business Continuity Plan needs to be updated.

SCOPE	ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE
<p>The review assessed a sample number of internal controls within the following areas, in accordance with the Joint Panel on Accountability and Governance (JPAG) / Smaller Authorities Proper Practices Panel (SAPPP) Practitioners’ Guide:</p> <ul style="list-style-type: none"> • Proper Book-Keeping; • Risk Management; • Income; • Payroll; • Bank Reconciliations; • Standing Orders, Financial Regulations, and Payments; • Budgetary Control; • Change Cards; • Assets; and • Year-end Procedures. 	<p>Failure to establish adequate arrangements to meet SAPPP / JPAG Practitioners’ Guide requirements may result in weakened governance and control frameworks, leading to errors, irregularities or non-compliance going undetected.</p>

Assurance - Key Findings and Management Action Plan (MAP)

Ref	Root Cause Indicator	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Compliance	<p>The current General Data Protection Regulation (GDPR) Policy is available on the organisation's website and our review confirmed that it was last approved in July 2018. In addition, although a GDPR section exists on the website, no privacy notices are published, which would typically be expected under ICO guidance for staff, customers and other stakeholders.</p> <p>Whilst the Policy is due for review, its review forms part of Cotswolds Conservation Board's Journey to Data Protection Compliance Action Plan. This action plan includes a specific action to review both the policy and the website.</p>	As planned, continue with the work planned under the Journey to Data Protection Compliance Action Plan to strengthen the GDPR Policy and the publication of privacy notices on the website.	2	<i>CNL is aware of the urgency of this workstream and will continue with the work planned under the Journey to Data Protection Compliance Action Plan to strengthen the GDPR Policy subject to team capacity. We expect a next update to the Finance & Governance Committee to be presented at their next meeting in September 2026. This should include the updated General Data Protection Policy and main privacy notices done.</i>	September 2026	Maria Carter (Business Support Officer)
2	Compliance	While it is common for operational responsibility to be delegated, good governance practice would normally include periodic reporting to the Board or an appropriate Committee on the insurance policies in place on an annual basis for example. Such reporting would strengthen assurance by enabling oversight that insurance arrangements remain adequate, proportionate, and aligned with the organisation's risk profile.	Consideration be given to introducing annual reporting of insurance arrangements to the Board or an appropriate Committee to ensure oversight and confirm that cover remains adequate, proportionate and aligned with the organisation's risk profile.	3	<i>Going forward, CNL will report on insurance arrangements to the Finance & Governance Committee on annual basis and consideration will be given whether this should be also reported to the Board.</i>	February 2027	Magda Glanowska (Director of Finance and Corporate Services)

PRIORITY GRADINGS

1	HIGH RISK	Fundamental control weaknesses or compliance issues that require immediate attention.
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2	MEDIUM RISK	Control weaknesses that are not critical but require planned action at the earliest opportunity.
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3	LOW RISK	Minor issues on which action should be taken or monitored as part of continuous improvement.
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AGENDA ITEM 3 APPENDIX B(ii)

Ref	Root Cause Indicator	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	The Business Continuity Plan (BCP) is due for review, with management being aware of the need to review the Plan.	The BCP be reviewed to ensure it remains current, as planned.	3	CNL is aware of the Business Continuity Plan being due for review, however due to team capacity issues this has not yet been undertaken. After the GDPR compliance work is finalised, this will be our next priority.	February 2027	TBC

PRIORITY GRADINGS

1 **HIGH RISK** Fundamental control weaknesses or compliance issues that require immediate attention.

2 **MEDIUM RISK** Control weaknesses that are not critical but require planned action at the earliest opportunity.

3 **LOW RISK** Minor issues on which action should be taken or monitored as part of continuous improvement.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Root Cause Indicator	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters (OEMs) were noted during our review.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1, 2 & 3	-
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Information



The Financial and Contract Regulations, contained in the documented Constitution for the Conservation Board for the Cotswolds Area of Outstanding Natural Beauty (AONB), set out a clear framework for the governance and control of financial management across the Board, ensuring accountability, transparency and compliance with public sector requirements. Overall responsibility rests with the Board, supported by the Finance and Governance Committee, while operational delivery is led by the Chief Executive Officer (CEO). The Regulations establish sound internal controls covering budgeting, financial monitoring, procurement and payments, with defined approval thresholds and requirements to ensure value for money and proper use of resources. They also embed strong assurance mechanisms through internal and external audit, regular financial reporting and oversight of risk management. In addition, provisions for asset management, insurance, borrowing and statutory compliance ensure that the organisation maintains financial stability and safeguards public funds effectively.

Other Information



The Finance Manual 2025–2026 provides clear and structured guidance on the management of grant funding, which forms a key part of Cotswolds Conservation Board’s financial processes. It outlines how funding from multiple sources - including major streams such as DEFRA - is identified, agreed and incorporated into the budget, whether confirmed in advance or secured during the financial year. The manual sets out defined procedures for recording, monitoring and reporting grant income, with step-by-step instructions for finance staff alongside clear authorisation requirements for different types of funding. Evidence reviewed, including signed grant agreements and supporting correspondence, demonstrates that funding arrangements are formally documented, appropriately approved and consistently applied in line with the organisation’s financial controls, providing assurance over the robustness of grant management processes.



The Financial Handbook 2025–26 sets out and explains the full suite of financial procedures, rules, policies, systems and coding structures at Cotswolds Conservation Board. It serves to support the Financial and Contract Regulations and should be read alongside the Standing Orders. The handbook was presented to the Finance and Governance Committee for approval in September 2025.



The documented Constitution is dated February 2024 following consideration and approval by the Board. A review of the October 2025 Board meeting minutes confirmed that the Constitution was discussed at length, with detailed comments on proposed updates and improvements to be considered. A review of subsequent Board meeting papers noted that no changes had been made between the February 2024 version and the version presented for re-adoption in June 2025.

The Constitution clearly sets out the powers and Articles of the organisation, as well as the Board’s roles, responsibilities and duties. It also incorporates key governance documents, including the Scheme of Delegation, Roles, Budget and Policy Framework Procedure Rules, Procedure Rules, and the Expenses Policy.

Any amendments to the Constitution may only be approved by the Board, and only on the recommendation of the Finance and Governance Committee. The Finance and Governance Committee Terms of Reference was confirmed to be is current.



The Finance Manual sets out the Reserves Policy for 2025/26, confirming that all actual costs must be recorded in the Profit and Loss (P&L) account, even where fully funded by reserves. Where expenditure is met from a designated or restricted reserve, the corresponding reserve balance is reduced on the balance sheet however, the release of that reserve is not recognised as income in the P&L. This ensures compliance with AGAR reporting requirements. As a result, the P&L may show a net cost, although this reflects presentation requirements rather than unfunded expenditure.

The Manual also confirms that all income is recognised in full in the P&L at the point of receipt. Where income is restricted or designated for specific purposes, it is transferred to a reserve on the balance sheet to ring-fence it. When these funds are subsequently utilised, the expenditure is recorded in the P&L in the normal way, without recognising a corresponding release of income, maintaining transparency and compliance with reporting requirements.

Review of Finance and Governance Committee minutes confirms that reserves are regularly reported, monitored and scrutinised by the Committee. In February 2026, the Head of Finance presented an overview of the reserves position, confirming that the level of reserves remained favourable compared to the original budget and in line with the approved reserves policy.



The Draft Operating Budget for 2026/27, being the most recent budget and prepared during 2025/26 was presented to the Finance and Governance Committee in February 2026, prior to submission to the Board for formal adoption on 24th February. A review of Finance and Governance Committee papers across the preceding four meetings confirms that budget monitoring is a standing agenda item, with variances clearly reported and supported by narrative explanations, enabling effective scrutiny and oversight.



A review of the IT Security Policy and related documents, corroborated by discussion with management, confirmed that there have been no changes to the arrangements in place for ensuring the security of data since the previous internal audit. The organisation continues to operate cloud-based systems, supported by contractual arrangements with its external IT provider and a Business Continuity Plan (BCP). The BCP however is due for review with management being aware of this (Recommendation 2 refers)





A sample of credit card expenditure was tested and found to be compliant with established procedures. The review further confirmed that, for all cardholders, spending in March and April 2026 (sampled months) remained within approved credit limits.





Evidence provided confirmed that the bank mandates were last updated in early April 2026 and therefore are current.


Other Information


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Bank reconciliations for the previous three months were sighted, with full supporting evidence provided including reconciliations presented within the Finance and Governance Committee papers. The review confirmed that there were no long-standing unreconciled items. Reconciliations were appropriately documented, with files clearly identifying the preparer and reviewer, and were completed in a timely manner.
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A review of the Finance and Governance Committee Terms of Reference confirms that the Committee is required to review the Annual Governance and Accountability Return (AGAR) and recommend it to the Board for approval. Evidence of this process was noted, including both draft and final AGAR submissions presented to the Committee. The most recent final AGAR was reported to the Finance and Governance Committee in November 2025 and subsequently recommended to the Board for approval, with the relevant reports and approvals evidenced within the supporting documentation.
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The investment balance of £95,709 reported in the Balance Sheet was selected for testing; supporting evidence was obtained and verified, confirming that the balance recorded in the Management Accounts reconciles accurately to the underlying source data.
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A completed re-declaration of compliance for Conservation Board for Cotswolds AONB was received by The Pensions Regulator under the Pensions Act 2008 (or, for Northern Ireland, the Pensions Order 2008) on 2nd July 2024. This was confirmed to be current in line with a three-year cycle.
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A review of the most recent HMRC submission confirmed that it had been duly approved and submitted on time.
A sample of mileage claims and Board member allowances was selected for targeted testing, all were confirmed to source documents. It was also verified that these amounts reconciled to the corresponding payroll records.
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A review of the most recent HMRC submission confirmed that it had been duly approved and submitted on time.
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A sample of three consecutive months was tested to verify that payroll runs were appropriately approved and evidenced. Testing confirmed compliance, with review and approval records retained in all instances.
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cases reviewed.
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The organisation expects that agendas and meeting papers are issued at least one week in advance of meetings. Testing of the most recent Board and Finance and Governance Committee meetings confirmed that these expectations were met in both instances.
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A review of the Cotswolds National Landscape website confirmed that meeting agendas, minutes and papers are routinely published for the Board, Executive Team and Annual General Meetings, supporting transparency. While Finance and Governance Committee papers are not published, the meeting schedule is made available. The website also provides access to both past and forthcoming meetings, and there is a consistent record of minutes being formally approved, indicating appropriate governance and publication practices.
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Internal and external audit matters are regularly reviewed by the Committee, with clear actions, ownership and updates on progress, including audit planning, appointments and completion of external audit activity.

Other Information



It was reported that there have been no known data breaches in at least the last 12 months that required notification to the Information Commissioner's Office (ICO). While a General Data Protection Regulation Policy is available on the organisation's website, review confirms it was last approved in July 2018 and is now due for update. In addition, although a GDPR section exists on the website, no privacy notices are published, which would typically be expected under ICO guidance for staff, customers and other stakeholders.

In 2024, Cotswolds Conservation Board commissioned a gap analysis to assess compliance with EU GDPR, UK GDPR and the Data Protection Act 2018. The final report, issued in early 2025, assigned an overall compliance score of 4.7 out of 10 on the DQM GRC maturity scale. More recent reporting to the Committee outlines actions taken and ongoing work to strengthen compliance however.



The Constitution requires that all assets are recorded, with additions, disposals and an annual verification undertaken. A central asset register is maintained by the Management Accountant, with operational assets managed by local teams. Annual verification is achieved through a combination of established processes, proportionate to the size of the organisation and the value placed on the assets, including reviews undertaken as part of the annual insurance renewal process, alongside routine operational checks such as vehicle MOTs and maintenance activities.



The Constitution places responsibility on the Board to ensure that the organisation is adequately insured. In practice, insurance arrangements are managed operationally by the Director of Finance and Corporate Services and the Chief Executive, with no formal reporting to or approval by the Board, indicating a gap in alignment with the Constitution. As a result, while day-to-day responsibilities sit with senior management, the Board retains ultimate accountability for ensuring that appropriate insurance cover is in place and would bear the consequences of any deficiencies in the event of an incident.

Insurance represents a key mechanism for risk transfer and forms an integral part of the organisation's overall risk management framework. While it is common for operational responsibility to be delegated, good governance practice would normally include periodic reporting to the Board or an appropriate Committee. Such reporting would strengthen assurance by enabling oversight that insurance arrangements remain adequate, proportionate, and aligned with the organisation's risk profile (Recommendation 1 refers).



A sample of four invoices was selected to verify that each was supported by an appropriate invoice and had been duly authorised for payment; this was confirmed for each.



The Finance Manual states that "Invoices paid by direct debit or standing orders should be reviewed and authorised annually by the H of F." Evidence of this in practice was requested. It was explained that the Finance Manual was only approved last year and that the first annual review is therefore not yet due. However, regardless of when the process was formally documented, routinely reviewing direct debits and standing orders is an element of good financial management and should already have been taking place and is a weakness until demonstrated. A list of direct debits was provided. Payments appear reasonable, such as IT services, fuel cards and broadband. One notable exception is a PayPal transaction for £4.98 dated November 2024, which predates all other entries that fall in April and May 2026. This should be investigated and removed if not valid. Overall, the direct debits appear current, but they should always be formally reviewed and signed off on a routine basis to ensure robust financial control.



Both Members and Officers' Code of Conduct are set out within the Constitution. Officers are also expected to comply with the policies contained in the Employee Handbook.

Where a potential conflict of interest arises in carrying out an Executive Committee or Finance and Governance Committee function, it must be managed in accordance with the Members' Code of Conduct, as outlined in Part 4 of the Constitution. The Officers' Code of Conduct provides guidance designed to maintain and enhance standards of behaviour and to protect employees from misunderstanding or criticism.



The Board operates a structured risk management framework which formally identifies, scores and monitors risks, with clear ownership and mitigation actions in place. Financial management risks are supported by procedures and oversight, as documented in the Risk Register indicating a sound control environment with risk management appropriately focused on external pressures rather than internal financial deficiencies.



A review of the Board papers for February 2026, corroborated against February 2025 as a representative cycle, confirms that the Board undertakes an annual review of the Risk Management Framework, including the Risk Register, each February. The Finance and Governance Committee reviews the updated Framework and Risk Register in advance of submission to the Board.

The Chief Executive presents the report, which sets out the current Risk Management Policy, Strategy and Key Risk Register. This provides the Board with the opportunity to review the full framework on an annual basis, including risk movements and historical trends captured within the Risk Register.

Other Information



Operational and financial performance is reported and monitored through Executive Team meetings. This includes quarterly financial reporting, regular income and expenditure updates, forecasting, and monitoring of progress against key performance indicators (KPIs).

The KPI Tracker is reviewed and approved by the Board and is subsequently monitored and scrutinised annually by the Board. The Tracker clearly sets out each performance measure, including its owner, baseline, and target, and uses a colour-coded system to present performance in an accessible and transparent manner.



The Financial and Operational Overview reports, as examples, evidence a focus on organisational sustainability. This includes maintaining adequate reserves in line with the Board's Reserves Policy and the ability to absorb forecast deficits, supporting financial resilience. Across both reports, sustainability is further supported through regular reforecasting, structured budget-setting for future years, and the securing of additional external funding streams to sustain operations and programme delivery.

In addition, Agenda Item 9 highlights investment in organisational capacity and governance arrangements - such as recruitment to a key finance role, internal audit provision, and system developments - which supports the continued effective stewardship and long-term viability of the organisation.



Compliance is a shared organisational responsibility rather than the remit of a single individual. It requires coordinated input from officers and senior management, supported by clearly defined roles and responsibilities. Oversight and challenge are provided through established governance structures, with the Executive Team, Finance and Governance Committee, and the Board collectively responsible for reviewing, scrutinising, and ensuring adherence to appropriate standards.

Explanatory Information

Appendix A

Scope and Limitations of the Review

- 1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

- 2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Assignment Engagement Details

3.

TIAA Auditors	Title	Contact Email
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Kashif Azeem	Director of Audit	Kashif.Azeem@tiaa.co.uk

Effectiveness of arrangements

- 4. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

5. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

6. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

7. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	11 th May 2026	11 th May 2026
Draft Report:	27 th May 2026	8 th June 2026
Final Report:	9 th June 2026	
Revised Final Report:	12 th June 2026	