

Annual Governance Statement to the 2017/18 Accounts

Scope of responsibility

Canterbury City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Canterbury City Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Canterbury City Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Canterbury City Council has approved and adopted a local code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. The authority's financial management arrangements conform with the governance requirements of the CIPFA *Statement on the Role of the Chief Financial Officer in Local Government (2010)*, as set out in the same CIPFA/SOLACE Framework.

A copy of the Local Code of Governance can be obtained from the Head of Legal Services. This statement explains how Canterbury City Council has complied with the code and also meets the requirements of regulation 4(3) of the Accounts and Audit (England) Regulations 2011.

The purpose of the governance framework

The governance framework comprises the systems, processes, culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievements of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Canterbury City Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Canterbury City Council for the year ended 31 March 2018 and up to the date of consideration at this meeting. It will continue through approval of the annual report and statement of accounts in July.

The governance framework

The key elements of the systems and processes that comprise the authority's governance arrangements are set out in the table below:

System & Process	Comment	Evidence
<p>Identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users</p>	<p>The Council's Corporate Plan was adopted in April 2016. The plan is for the period 2016 -2020 and is set out on its web site:</p> <p>"By 2019 we aim to be financially self-reliant, delivering our services and ambitions without a needs based grant from central government. We want to lead the next stage of development of our city and district, helping to create growth and prosperity, but doing it as cost effectively as possible".</p> <p>Our approach will not be about reducing our valued services. Instead "we are determined to challenge the status quo to get the best value for money for our taxpayers".</p> <p>The council has adopted 3 key areas of action: People, Places and Prosperity and within these areas are a number of ambitions to make the difference over the length of the Plan.</p>	<p>Corporate Plan 2016 - 2020</p>
<p>Reviewing the authority's vision and its implications for the authority's governance arrangements</p>	<p>The council has worked with partners to formulate the vision to ensure it meets the needs and potential of Canterbury, Herne Bay, Whitstable and the surrounding villages. The Council acknowledges the Corporate Plan is ambitious and that we may have to modify our ambitions according to our circumstances. However, by clearly setting out these ambitions we can lead our communities, concentrate our resources and work with our partners to achieve them.</p> <p>The main aspirations are to create opportunities for people and businesses to thrive and prosper, which are both seen as important to the future prosperity of the district.</p> <p>To achieve its vision the council, together with our partners, must invest in the infrastructure our district needs and tackle the social and economic issues that are important to our citizens.</p> <p>The quarterly review of the Strategic Risk Register effectively assesses the risk implications arising from the authority's vision.</p>	<p>Corporate Plan 2016 – 2020</p> <p>Audit Committee, Governance Committee & Strategic Risk register</p>

System & Process	Comment	Evidence
<p>Measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and for ensuring that they represent the best use of resources</p>	<p>Under the Local Government Act 1999, all Councils have a duty to provide services efficiently, effectively and economically. Canterbury has a programme of commissioning reviews with every service subject to a full review. The last tranche of reviews is being carried out over the next year.</p> <p>The reviews have three aims:</p> <ul style="list-style-type: none"> • To ensure resources are focused on activities and functions that deliver customer satisfaction and make the greatest contribution to our priority outcomes, • To ensure best value in our service delivery, and • To ensure that our working methods are as fully automated as possible. <p>By the end of the review programme, our functions will have been thoroughly assessed against the commissioning criteria to ensure that all activities are aligned with our priorities and are achieving best value.</p> <p>The Council monitors its performance, using performance management software "Covalent", against a range of key performance indicators. Targets for these key performance indicators are detailed on Covalent. Performance indicators are reported to Regeneration & Planning and Community Committees. The Performance Review Board meets quarterly as part of the Management Team agenda and reviews all services on a cyclical basis. Reports to the Strategic Challenge Group twice a year.</p> <p>Annual Residents Surveys are undertaken to assess how our residents feel we are performing and to enable us to understand what is important to our residents. Each service submits user satisfaction surveys, the results of which are used to improve processes and communication with our users.</p>	<p>Commissioning Review Programme</p> <p>Covalent for Performance Indicators</p> <p>Committee meeting minutes</p> <p>User satisfaction surveys</p> <p>Residents surveys</p> <p>Performance Board Reviews</p> <p>Strategic Challenge Group</p>

System & Process	Comment	Evidence
<p>Defining and documenting the roles and responsibilities of the cabinet, committees and sub-committees and officer functions, with clear delegation arrangements and protocols for effective communication</p>	<p>Decision making on council functions is dealt with by politically balanced committees subject to the general oversight of Full Council.</p> <p>The main committees are:</p> <ul style="list-style-type: none"> • Policy and Resources • Community • Regeneration and Property <p>These are supported by other committees and sub-committees which tend to be more specific in nature such as:</p> <ul style="list-style-type: none"> • Planning Committee • Licensing Committee • Whitstable Harbour Board • Audit Committee • Governance Committee <p>The council also has a Standards Committee which, scrutinises the performance of the council and its ethical standards to support the Audit Committee, and Governance Committee.</p> <p>This way of working ensures the council is accountable in its decision-making, and therefore more open to public scrutiny.</p> <p>These roles and responsibilities are clearly defined and published in the Council Minutes. The functions of Committees and officers delegated powers all form part of the Constitution, which is revised regularly and updated. A full revision is carried out each year and presented to Policy and Resources Committee to be agreed and adopted.</p> <p>The full Constitution is available on the authority website and on the Intranet</p> <p>Attendance records of every Councillor can be viewed by the public on the Internet enabling them to see how often councillors attend committee meetings.</p>	<p>Constitution of the Council available on the Website and Intranet.</p> <p>Attendance records for Councillors on the Internet</p>

System & Process	Comment	Evidence
<p>Developing, communicating and embedding codes of conduct, defining the standards of behaviour for councillors and staff</p>	<p>The council has adopted the model code of conduct for councillors and supplementary protocols including the 10 general principles of councillor conduct. The Code of Conduct for employees is part of the conditions of service and included in the induction pack given to all new employees. It is also published on the Intranet, which is accessible to all employees. The Information Security Policy has been written and approved by Councillors and this includes the Acceptable Use policy. Officers are also required to certify their acceptance of the Information Security Policy including the Acceptable Use Policy, whenever they log in to a council computer.</p> <p>The Councillors Code of Conduct is clearly defined in the Constitution of the Council and follows the national standard suggested by Government.</p> <p>Refresher training courses are available for any member of staff to attend on the Information Security Policy, The Code of Conduct for Employees, Access to Information and the Equalities and Access Policy.</p> <p>Training sessions for the Anti Fraud, Corruption, Bribery and Whistleblowing Policy are available every month and attendance at these is mandatory for every member of staff on a tri-annual basis. Attendance sheets are produced at each session and fed back to HR to monitor attendance.</p> <p>Training in the application and enforcement of all the council policies is covered by the suite of courses offered by the East Kent HR Partnership and by Finance. Refresher training which is carried out for all staff as statute redefines the policies. Refresher courses have been run throughout 2017/18 and been very well attended.</p>	<p>Terms and conditions of Employment.</p> <p>Councils Constitution</p> <p>Standards Committee</p> <p>Information Security Policy and Acceptable Use Policy</p> <p>Gifts and Hospitality Register</p> <p>Councillor Declarations of Interest</p> <p>Councillors expense claims and allowances on the Intranet</p> <p>Corporate Training Courses, e-learning. Mandatory refresher training courses</p>

System & Process	Comment	Evidence
<p>Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks.</p>	<p>The Section 151 Officer (was the Director of Resources and now the Deputy Chief Executive) is responsible for maintaining a continuous review of the authority's Financial regulations and submitting any additions or changes necessary to Full Council for approval. A thorough review of Financial Regulations was undertaken during the last quarter of the 2014/15 financial year and approved by Council on 30th April 2015.</p> <p>The Kent Authorities Contract Standing Orders have been adopted at Canterbury with few amendments. These are reviewed annually. Added to this the Procurement Team work with officers on procurement projects to ensure that processes are legally compliant that is; fair, transparent and open. Independent monitoring of contracts is undertaken to satisfy the councils stakeholders that policies and procedures are followed.</p> <p>The Risk Management Policy of Canterbury City Council is to adopt best practice in the identification, evaluation and cost-effective control of risks to ensure that they are either eliminated or reduced to an acceptable level. This is reviewed and updated annually, the last update was completed in April 2017.</p>	<p>Financial Regulations and Contract Standing Orders available in the Constitution and on the Internet.</p> <p>Risk Management Policy available on the intranet.</p> <p>Risk Management Process Audit.</p> <p>Partnering and Procurement policy on the internet.</p>
<p>Undertaking the core function of an audit committee, as identified in CIPFA's <i>Audit Committees – Practical Guidance for Local Authorities</i>.</p>	<p>An Audit Committee has been established and meets quarterly with the risk register reported quarterly. The Committee consists of 7 councillors (plus 4 reserves). Their activity and regulatory framework is clearly identified in the Council's Constitution and also on the Council's website. The core functions follow CIPFA's practical guidance.</p>	<p>Constitution of the Council</p> <p>Audit Committee Terms of Reference.</p>

System & Process	Comment	Evidence
<p>Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.</p>	<p>Managers at all levels are responsible for ensuring their service is compliant with relevant laws and regulations. The council has extensive, detailed and clear policies and procedures to give guidance to staff and management and to identify responsibilities. Each year, Senior Managers and Directors have to certify compliance in Annual Compliance Statements.</p> <p>All policies and procedures are available on the councils intranet (ICan).</p> <p>The Internal Audit function is an independent appraisal process and for this council is provided by the East Kent Audit partnership, who have direct access to members. They undertake reviews which seek to provide management with a level of assurance on the adequacy of internal controls and of risks to the councils functions/systems including ensuring full compliance with relevant laws, regulations, internal policies and procedures. They give sound objectivity as well as benefiting from a large resource pool which brings with it a good level of robustness. Throughout the year, the Internal Auditors have performed a wide range of reviews covering both financial matters and other more service/output specific objectives. The conclusion of this is a report that is produced for management. This includes an assessment of the level of assurance that can be derived from the system of internal controls related to the service that is reviewed. Internal Audit carries out regular reviews of systems. The frequency of each system audited is assessed by a risk scoring mechanism – the higher the risk the more frequent an Audit review is undertaken.</p> <p>East Kent Audit Partnership report findings of all audits to Councillors at the quarterly Audit Committee.</p> <p>The External Auditor (Grant Thornton) carries out annual inspections to verify compliance and also reports findings to the Audit Committee.</p>	<p>Contract Standing Orders and Purchasing Guidance.</p> <p>Signed Annual Compliance Statements</p> <p>Financial Regulations</p> <p>Intranet site (ICan)</p> <p>Annual Audit Plan</p> <p>Quarterly update to Audit Committee of both internal and external audit.</p>

System & Process	Comment	Evidence
<p>Whistle-blowing and other means of receiving and investigating complaints from the public.</p>	<p>The Councils Anti Fraud, Corruption, Bribery and Whistle – Blowing Policy includes a section on Whistle-blowing procedures and is included on induction courses which all new employees have to attend. The policy is updated annually, the last amendment being in July 2016 which took into account legislative changes. No amendments were required in 2017/18 year. Refresher training sessions are held every month and staff book onto these via the intranet as their refresher dates approach.</p> <p>Posters and leaflets are on show around the council offices to publicise this policy, which is available to all staff and Councillors on the Intranet (ICan).</p> <p>All suppliers and contractors have been notified either by email or letter that the Anti Fraud, Corruption, Bribery and Whistle Blowing Policy is to be adhered to by their staff while they are working for the council. All new suppliers are notified of this policy and directed to it on the website.</p> <p>The complaints procedure is available on the internet to residents and staff (ICan) and a range of performance indicators ensure all complaints are dealt with according to this procedure. Results of the indicators are publicised to staff on Covalent. Customers are advised of the procedure both electronically on the authority website and at the council offices via posters and leaflets available in the public areas.</p> <p>For the period 01/04/2017 to 27/02/2018 there were 24 cases reported against the council for investigation by the Local Government Ombudsman. Decisions of the Ombudsman for that period stated that there was fault and injustice on 4 cases, fault in one case, no fault in 4 cases, complaint not investigated in 2 cases, one complaint being premature and in two cases a decision was not possible.</p> <p>The council has not had to undertake any investigations or carry out surveillance or the interception of communications using the Regulation of Investigatory Powers Act 2000 during 2017/18.</p>	<p>ICan</p> <p>Anti Fraud, Corruption, Bribery and Whistle Blowing Policy refresher training sessions.</p> <p>Induction manual</p> <p>Covalent</p> <p>Leaflets and posters available in the public areas.</p> <p>Letters to suppliers and contractors.</p> <p>New suppliers BACS forms.</p> <p>Annual Letter and reports from the Ombudsman</p>

System & Process	Comment	Evidence
<p>Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.</p>	<p>Managers undertake 1-2-1 meetings and Team meetings with their staff. This identifies the direction they need to work towards, the projects being undertaken and any training needs. The formal PDA process that was carried out each year is now being reviewed and a focus group set up to discuss options that will provide staff and managers with direction, development opportunities and a more fluid ongoing process for monitoring performance against objectives.</p> <p>The Councils seven adopted behaviours are discussed at the 1-2-1 meetings and examples of good behaviour are identified at Team Meetings. These are reported to Management Team each week and then publicised to all staff through Cascade.</p> <p>The HR Partnership has established a Learning zone on their web page enabling staff to view the training and learning resources available. Staff can book onto training sessions via the intranet. Councillors are required to attend relevant training to ensure that they are equipped for particular roles, informed by a member survey and officer assessment. Skills training is made available to councillors generally.</p> <p>Corporate Training is co-ordinated by the HR Support Officer to ensure as many staff as possible have access to training schemes provided. Staff send their development needs to the HR Support Officer after discussions with their line manager and these are collated to inform the training plan for the coming year. A training calendar is available on ICan for staff to see what training courses have been arranged.</p> <p>During 2017/18 the Leadership Management training programme continued after the success of the 2016/17 programme. This consisted of various modules to support managers and team leaders. The positive feedback received from the modular courses suggested that many of them would be beneficial for all staff development and are now available on the Intranet for all staff to book onto.</p> <p>The new Apprenticeship Levy that was introduced in April 2017 enables more professional training courses to be undertaken by staff wishing to progress their career.</p>	<p>Focus Group to discuss post PDA process</p> <p>Management team Minutes</p> <p>Cascade</p> <p>Training Guide on the Intranet</p> <p>Learning Zone and E-Learning</p> <p>Councillor training programme</p> <p>Corporate Training Programme</p> <p>Training calendar on ICan</p> <p>Apprenticeship Levy Training established from 1st April 2017</p>

System & Process	Comment	Evidence
<p>Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.</p>	<p>The council's website gives all stakeholders access to up to date information on our strategies and policies and to a wealth of information about their community. This is part of the Fit for the Future project which is aimed at how we provide services, obtain feedback and continuously improve.</p> <p>Customer Charters identify how we will consult with all stakeholders and encourage communications with all our stakeholders.</p> <p>The council successfully retained the Customer Service Excellence award in February 2018 and received two extra "Compliance Plus" awards totalling 9 categories which is rare. To achieve this standard, the council provided evidence that clear channels of communication with all sections of the community and stakeholders had been established and were continually improving.</p> <p>Consultations with the residential groups are carried out before any major change and publications sent out to clearly inform residents of future plans for management of housing stock. An annual resident's survey is undertaken to gain insight into the community's views and priorities.</p>	<p>Fit for the Future programme</p> <p>Corporate Plan</p> <p>Customer Service excellence reviewed and re-awarded in February 2018 achieving 9 Compliance Plus awards.</p> <p>Annual Residents Survey</p>
<p>Incorporating good governance arrangements in respect of partnership and other group working as identified by the Audit Commissions report on the governance of partnerships (<i>Governing partnerships: Bridging the Accountability Gap, Audit Commission, 2005</i>), and reflecting these in the authority's overall governance arrangements.</p>	<p>Article 8 of the constitution offers explanatory notes on joint working arrangements, the procedures for access to information and the delegation of duties under joint working arrangements.</p> <p>The Canterbury Community Safety Partnership was set up in response to the 1998 Crime and Disorder Act to reduce crime, disorder and the fear of crime. Its membership is made up of statutory and non statutory agencies, community and voluntary groups. This includes Canterbury City Council, Kent Police, Kent Fire and Rescue Service, Probation, Neighbourhood Watch, Crimestoppers, Primary Care Trust, Education and the Youth Offending Service. There is a very high protocol which gives clear responsibilities for the Executive Board and all partners.</p> <p>The Council is working in partnership with the East Kent Authorities and Kent County Council to provide a range of shared services. The Governance arrangements for these shared services projects are served by a 3 way Strategic Board which oversees all of East Kent Services. This joint committee has a clear governance structure and enhances the communication flow between all the councils.</p> <p>The Council is also working with KCC on a Joint Transportation Board.</p>	<p>Constitution</p> <p>Partnership Agreements</p> <p>Canterbury Community Safety Partnership Plan</p> <p>East Kent Audit Partnership</p> <p>East Kent HR East Kent Services</p> <p>East Kent 3 Way Strategic Board. KCC Joint Transportation Board.</p>

Review of effectiveness

Canterbury City Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of East Kent Audit Partnership's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The process that has been applied in maintaining and reviewing the effectiveness of the governance framework are given in the table below:

DESCRIPTION OF KEY ELEMENTS	ROLE	REVIEW OF EFFECTIVENESS
<p>1. The Authority</p>	<p>The Authority's objectives are set out in its Corporate Plan. These are based on 3 key areas of action:</p> <ol style="list-style-type: none"> 1) People – Residents enjoy a good quality of life and those in need are supported. 2) Places – We make the most of our unique built and natural environment 3) Prosperity – The district has a resilient, diverse economy which supports job growth <p>Under each of these key areas there are a number of smaller aims and objectives:</p> <p>People</p> <ol style="list-style-type: none"> 1) Working to achieve high quality housing to meet everyone's needs 2) Contributing to the good health of local people 3) Focussing our community support on those in most need of it. 4) Acting with others to protect communities from flooding, crime and anti-social behaviour 5) Inspiring people through a wide range of cultural activities and opportunities. 	<p>A wide range of control and reporting mechanisms are in place to monitor performance against the Corporate Plan and Community Strategy.</p> <p>These include both internal mechanisms: such as the Audit and Governance Role; Risk Management; Budget Monitoring & Control; the Performance Management framework and the procedures set out in the Council's Constitution, and externally Resident / Public consultation and Satisfaction Surveys.</p>

DESCRIPTION OF KEY ELEMENTS	ROLE	REVIEW OF EFFECTIVENESS
	<p>Places</p> <p>6) Making our city, towns and villages places to be proud of</p> <p>7) Keeping our district clean</p> <p>8) Protecting and enhancing our open spaces, heritage and wildlife</p> <p>Prosperity</p> <p>9) Supporting business growth</p> <p>10) Enabling infrastructure improvements to regenerate our urban spaces and deliver economic growth.</p>	
<p>2. The Committee Structure</p>	<p>The main committees are:</p> <ul style="list-style-type: none"> • Policy and Resources - co-ordinates the development and recommendation to Full Council of the Budget and Policy Framework, including in-year adjustments. • Community - This committee has delegated authority to exercise the council's functions relating to the delivery, by or on behalf of the city council that fall within the areas of housing, environment, culture, health and well being, leisure and community. • Regeneration and Property - This committee has delegated authority to exercise the council's functions relating to the delivery, by or on behalf of the city council that fall within the areas of property, economic development, regeneration and travel. <p>The role of the Full Council is to lead the implementation of council policy within the council's budgetary and control framework.</p>	<p>Under the Committee structure adopted in 2015 the committees are all politically balanced so there is cross party involvement in decision making. The committees are responsible for their own performance management and their policy formulation role has been reinforced in the terms of reference.</p> <p>Working Groups have been retained within these arrangements, who undertake in-depth reviews of topics in the way that Scrutiny Committees used to do under the 'call-ins' process.</p> <p>The Council included 'Decision Review' procedures in the constitution to provide an additional layer of challenge in relation to decisions made by the three 'Service Committees' (Regeneration and Property, Community and Policy and Resources). It is modelled loosely on the former call-in procedures and there were no review requests during 2017/18.</p>

DESCRIPTION OF KEY ELEMENTS	ROLE	REVIEW OF EFFECTIVENESS
3. The Audit Committee	<p>The Audit Committee's role is split into 3 areas:</p> <p>Audit – overseeing and reviewing the results of internal and external audit activity;</p> <p>Regularity – overseeing and reviewing procedures relating to contract procedures, financial regulations, codes of conduct, anti-fraud & corruption and whistle-blowing arrangements, risk management and complaints;</p> <p>Accounts – reviewing the annual accounts and considering whether there are any matters of concern to raise.</p> <p>There is also a Governance Committee to monitor the workings of the Councils constitution and recommend changes.</p>	<p>The Audit Committee approved the 2017/18 Audit Plan setting out the programme of work for reviewing and monitoring the activities of the Council, in particular its internal financial controls.</p> <p>Quarterly updates of progress against this plan were reported to this committee and a summary annual report in July 2017, including a review of the effectiveness of Internal Audit.</p> <p>Quarterly reports of the Strategic Risk Register are made to this committee after they have been updated by Senior Managers, Assistant Directors or Directors.</p> <p>The Audit Committee approves the annual accounts at the September meeting each year.</p> <p>The Audit Committee met four times during the 2017/18 financial year.</p>
4. Complaint Handling under the Localism Act	<p>Under the Localism Act 2011, arrangements have been adopted for dealing with complaints of misconduct by councillors.</p>	<p>The council has adopted the Kent-wide code of conduct for councillors and a standardised procedure for handling a complaint as agreed by the Kent Secretaries.</p> <p>2 complaints were ongoing from 2016/17 and were resolved in 2017/18, but none of them were upheld.</p> <p>11 new complaints were taken through the system in 2017/18 and 8 were resolved and none of those upheld.</p> <p>3 have been carried over into 2018/19 and are still ongoing.</p>

DESCRIPTION OF KEY ELEMENTS	ROLE	REVIEW OF EFFECTIVENESS
<p>5. Internal Audit</p>	<p>The role of Internal Audit is “To give an independent opinion on the adequacy, effectiveness and operation of controls within the Authority’s systems”.</p> <p>Internal Auditors have direct access to the Chair of the Audit Committee if required. They provide a regular update to the Committee at each of the quarterly meetings and attend any special meetings that may be convened during the year.</p>	<p>The council has very high levels of assurance in respect of all of its main financial systems and the majority of its governance arrangements. Almost all of the main financial systems which feed into the production of the council’s Financial Statements have achieved a substantial assurance level.</p> <p>The overall opinion of the System of Internal Controls in operation throughout 2017/18 based on the work of the East Kent Audit Partnership during 2017/18 will be presented in their annual report to the Audit Committee in July.</p> <p>As at 31 March 2018 the Internal Auditors completed 143 days of review equating to 89% of planned completion. A regular schedule of follow up audits are undertaken to ensure management have implemented the action plans arising from each audit. Members can see full details within the Internal Audit Annual Report that will be presented to the Audit Committee in July 2018.</p> <p>As part of EKAP’s quality monitoring arrangements a satisfaction questionnaire is completed by the managers of the service after every audit enabling the officers involved to comment on the conduct and outcome of the audit. This information is used to monitor quality and inform self assessment for continuous improvement.</p>

DESCRIPTION OF KEY ELEMENTS	ROLE	REVIEW OF EFFECTIVENESS
6. Other reviews / Assurance Mechanism	<p>Performance and Value for Money is achieved through the work of the Strategy and Democracy Division and the Audit and Governance Committees. The External Auditors (Grant Thornton) has also reported on these areas under their Annual report.</p> <p>Councillor Task and Finish Working Groups have been set up to review services since May 2015.</p>	<p>Since the introduction of the new governance system in May 2015 the Scrutiny Reviews have been replaced by Councillor Task and Finish Working Groups.</p> <p>The following task and finish working groups were in place during 2017/18:</p> <ul style="list-style-type: none"> • Kings Hall Working Group • Community Governance Review Working Group

Significant Governance Issues

The council identifies and monitors significant governance issues through its Strategic Risk Register.

How the council identifies and assesses its corporate risks and how the Risk Register and then the Annual Governance Statement is set out in detail is in the council's **Local Code of Governance** and **Risk Management Policy**, available on the council website.

The risk register is updated on an ongoing basis from the following sources: -

- Risks identified by individual officers during the course of their work,
- Risks identified from both internal and external audit reports.
- Risks identified in the course of the performance review processes and entered onto Covalent.
- Risks identified from assessments carried out in other council reports notably Project Scope and Project Brief documents.
- Risks identified during the course of the Risk Register review process, notably by Senior Managers, Assistant Directors, Management Team and Councillors at Audit and Governance Committees.
- Risks identified at Management Team and Departmental Team meetings. These are standing agenda items.
- The risk register is monitored and reviewed quarterly by the following: -
 - Assistant Directors and Service Heads

- Management Team
- Audit Committee

There is a standing item on the weekly management team agenda to discuss emerging corporate risk, which would cover governance risk. There were no governance issues raised during 2017/18.

The Strategic Risk Register is a public document updated and published quarterly in the agenda of the Audit Committee

Significant governance issues are identified on the risk register together with the steps the council is taking to either control or mitigate these risks including reference to other action plans and reports where appropriate.

The highest risk score that can be given to a significant issue is 25 (5 for impact and 5 for likelihood). The council had a total of 23 risks on the strategic risk register at 31st March 2018, scores ranging from 20 down to 5.

The highest risk score was concerned with:

- the impact on the district from environmental issues such as traffic congestion

The Governance committee is responsible for reviewing the Council's governance arrangements, during 2017/18 they agreed amendments to the Constitution and officer delegation following the significant council officer restructure that came into effect on 1 February 2018.

The Council has launched a whole district community governance review during 2017/18 which looked at the existing parish council arrangements and whether town councils or alternative area based arrangements should be established in the district. This is due to conclude in July 2018.

Conclusion and Corporate Governance Opinion

Taking account of the controls and actions taken listed above we are confident that we have satisfactory governance arrangements in place.

The Audit committee has advised us on the implications of the result of the review of the effectiveness of the governance framework. The actions listed in the strategic risk register are aimed at addressing risks and ensuring continuous improvement of the governance systems in place.

We continue to monitor these actions to further enhance our governance arrangements. We are satisfied that these address the improvements identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

A handwritten signature in black ink, appearing to read 'Simon Cook', with a stylized flourish at the end.

Signed:
Simon Cook Leader

A handwritten signature in black ink, appearing to read 'Colin Carmichael', with a stylized flourish at the end.

Signed
Colin Carmichael Chief Executive

on behalf of Canterbury City Council
26 July 2018