

Annual Governance Statement to the 2024/25 Accounts

Good Governance

Good governance is about how the Council ensures that it is doing the right things, in the right way, for the communities it serves, in a timely, inclusive, open, honest and accountable manner.

A Council's Code of Corporate Governance is:

“The system by which local authorities direct and control their functions and relate to their communities”

Our commitment

Canterbury City Council is committed to upholding the highest possible standards of good corporate governance, believing that good governance leads to high standards of management, strong performance, effective use of resources, increased public involvement and trust in the Council and ultimately good outcomes.

The Governance framework comprises the systems and processes, and cultures and values, by which the Council is directed and controlled and through which it engages with its residents, businesses, partners and other stakeholders. This Code of Corporate Governance is a public statement that sets out the framework through which the Council meets its commitment to good corporate governance. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate cost-effective services.

This local code of governance has been developed in accordance with and is consistent with the CIPFA/Solace publication “Delivering Good Governance in Local Government framework 2016”, which builds on the seven Principles for the Conduct of Individuals in Public Life.

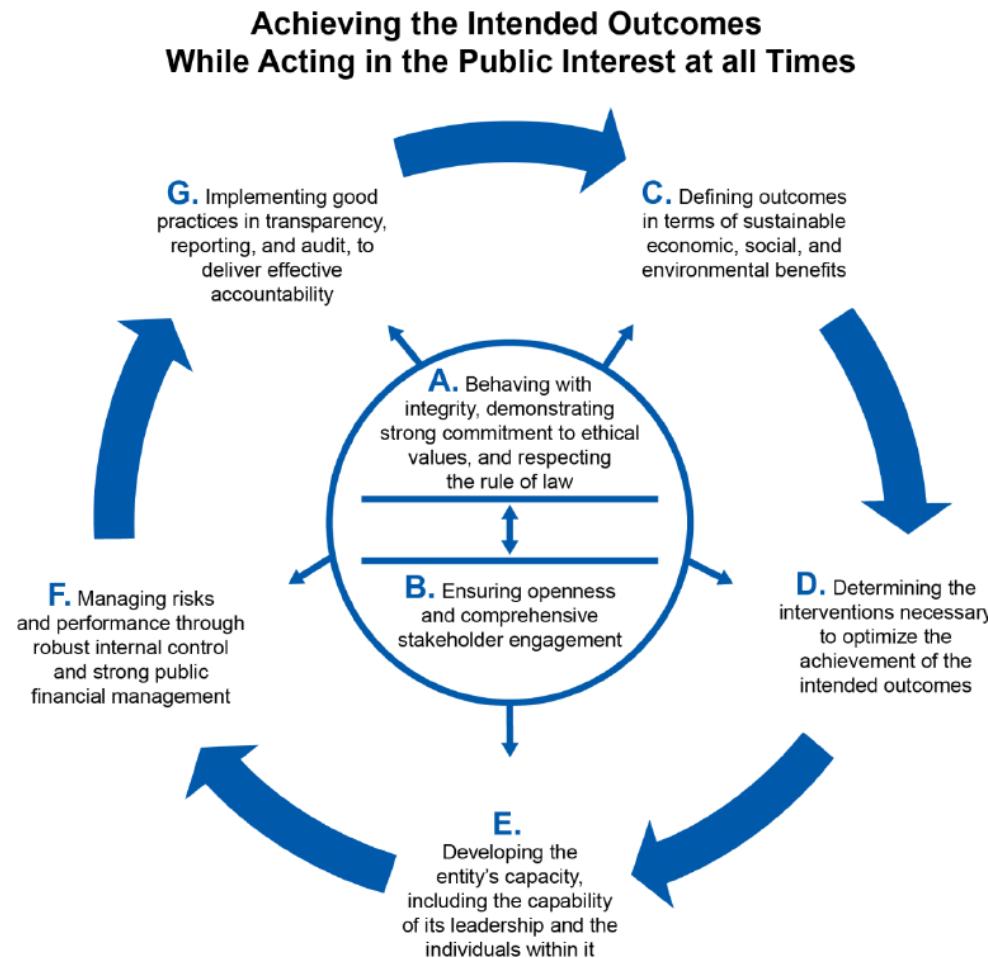
Core principles of good governance

The core governance principles of the council are: -

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- B. Ensuring openness and comprehensive stakeholder engagement.
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- D. Determining the interventions necessary to optimize the achievement of the intended outcomes.
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- F. Managing risks and performance through robust internal control and strong public financial management.
- G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

Applying the core principles of good governance

This document describes how the Council achieves the seven principles of good governance and describes how the Council's corporate governance arrangements will be monitored and reviewed.



Source: International framework: good governance in the public sector, CIPFA, 2014

The governance framework

This Code takes each of the principles in turn and sets out the systems, processes and principles the Council has put in place to ensure good corporate governance. The Code will be reviewed annually through the Annual Governance Statement process, which will identify the actions to be taken to enhance the code or address any limitations within it.

| A– Behaving with Integrity, with commitment to ethical values, and respect for the law | | |
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| Commitment | Procedures | Evidence |
| Behaving with Integrity Demonstrating strong commitment to ethical values Respecting the rule of law | <ol style="list-style-type: none"> 1. Political and managerial leadership to create a climate of openness, support and respect and to uphold the Council's values. 2. Standards of conduct and personal behaviour are set out in the Employee Code of Conduct, the Member Code of Conduct (based upon the seven Nolan Principles) and in the Protocol on Councillor/Officer relations. 3. A Register of Interests is maintained for councillors and officers. 4. Complaints procedures are in place so that members of the public can express dissatisfaction with Council services and their concerns can be monitored and addressed. 5. Complaints about district and parish councillors are managed by the Monitoring Officer. The process is set out in the constitution. The Council has appointed three separate "Independent Persons" to support the process in accordance with the requirements of the Localism Act 2011. 6. An annual report of complaints reported to the Local Government Ombudsman and the Housing Ombudsman is submitted to the Audit Committee. 7. The constitution is reviewed annually. The council's Governance Committee recommends changes to full Council. 8. The terms of reference of the Standards Committee includes responsibility for advising on the Council's ethical framework and the promotion of openness, accountability and probity to ensure the highest standards of conduct. 9. The Council maintains an Anti-Fraud, Bribery, Corruption and Whistleblowing Policy to enable confidential reporting of suspected breaches of the Employee Code of Conduct or unethical behaviour. This policy is updated regularly and reviewed by the Audit Committee. The policy is subject to regular review. 10. The Council's standing orders and financial regulations put in place processes designed to ensure that Councillors and employees of the | <p>The constitution was reviewed twice in 2024/25. Changes included updates to the senior officer delegations following the Joint CX appointments and updates to the disciplinary and dismissal arrangements for JCX/Statutory Officers.</p> <p>The constitution includes a Member/Officer Protocol, Member Code of Conduct, Financial Regulations and Contract Standard Orders.</p> <p>We maintain a register for interests, declarations at meetings and gifts and hospitality. Regular reminders are sent to keep it up to date.</p> <p>Staff abide by the employee code of conduct, which is reviewed periodically.</p> <p>Adopted policies include:</p> <ul style="list-style-type: none"> ● Complaints ● Anti-fraud, bribery, corruption and whistleblowing ● Equalities ● Information security <p>The complaints procedure has been updated to reflect the new Local Government and Social Care Ombudsman and Housing Ombudsman Codes of Practice.</p> <p>Annual updates are provided on</p> |

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| | <p>authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. They form part of the Council's constitution.</p> <ol style="list-style-type: none"> 11. The Council is a creature of statute and operates within the legal framework, complying with its statutory duties and making the most of its powers to meet the needs of the district and its residents. 12. The Head of Legal Services is the Council's Monitoring Officer, responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with. 13. The Council ensures that statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the Council. 14. The Council complies with procurement legislation and guidance, with processes designed to meet the Council's wider objectives and Contract Standing Orders. Independent monitoring of contracts is undertaken to ensure transparency and legal compliance. 15. The Council undertakes Equality Impact Assessments of major council decisions. We also host a Disability Advisory Panel who advise council officers on matters of policy, service delivery and design. | <p>Ombudsman activity and, separately, on the prevention of fraud and corruption.</p> <p>An annual report on ethical governance and complaints about councillors is provided to the Standards Committee.</p> <p>Procurement procedures were revised to reflect changes to legislation.</p> |
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B – Ensuring openness and comprehensive stakeholder engagement

| Commitment | Procedures | Evidence |
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| <ul style="list-style-type: none"> ● Openness ● Engaging comprehensively with Institutional stakeholders ● Engaging stakeholders effectively, including citizens and service users. | <ol style="list-style-type: none"> 1. The Council holds Council, Cabinet and committee meetings in public unless there are good reasons for confidentiality based on the legislation. There is a presumption towards openness and transparency in the publication of reports. 2. A calendar of dates is published to allow members of the public to plan and submit requests to speak at committee meetings. 3. The council permits public speaking at all of its public meetings, based on the rules set out in the constitution. 4. Other methods of public participation at meetings include submission of petitions and questions at Council. 5. Officers use standard report templates for committee and reports so that readers are provided with information that is presented consistently. Reports make clear the options considered and the reasons for the recommendations. 6. The consultation programme ensures that the council actively seeks the views of a wide range of people on a range of policies and | <p>Committee agendas & minutes are published on the website.</p> <p>There are opportunities for public participation through public speaking and petitions.</p> <p>A new consultation strategy and tenant engagement strategy is planned for the coming year.</p> <p>The council has an extensive consultation programme and publishes the results on the website. The council regularly engages with a wide range of stakeholder groups through its</p> |

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| | <p>services, engaging with all sections of the community through workshops, surveys, stakeholder events and witness sessions. The Council seeks to ensure all views are actively considered when making decisions, recognising that it is not always possible to reconcile conflicting viewpoints.</p> <ol style="list-style-type: none"> 7. The council promotes digital services to allow customers to serve themselves at a time that suits them wherever possible. 8. The Council funds community grants for voluntary sector partnerships who deliver services that complement the council's objectives. 9. The Disability Advisory Panel helps the Council evaluate policies, projects and services to support compliance with the Equality Duty. 10. We consult with our local Resident Engagement Panel to support the delivery of housing services to our tenants. 11. We work closely with the local business community, including the Canterbury Business Improvement District and the Chambers of Commerce in Herne Bay and Whitstable. 12. The council complies with the Freedom of Information Act/Environmental Information Regulations and publishes expenditure data for our suppliers, councillors and management salaries to provide openness and transparency. 13. The constitution of the Council includes a communications protocol to support councillor and officer communications. | <p>consultation process.</p> <p>Employment practices are reviewed on a regular basis with staff. They include the adoption of the Smarter Ways of Working Policy to reflect the hybrid nature of officer working arrangements.</p> <p>A Customer Access to Services working group has been established to look at accessibility to council services.</p> <p>An annual performance report is reviewed by the Scrutiny Committee and Cabinet.</p> <p>Freedom of Information requests are responded to promptly and openly.</p> <p>The comms team is actively engaged on social media channels.</p> <p>Employment policies and procedures are reviewed regularly. A staff and safety joint advisory committee is available to discuss matters with councillors when required.</p> <p>Councillor attendance records are published on the website</p> <p>Data is published in accordance with the Transparency Code 2015.</p> |
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| C – Defining outcomes in terms of sustainable economic, social and environmental benefits | | |
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| Commitment | Procedures | Evidence |
| <ul style="list-style-type: none"> ● Defining Outcomes ● Sustainable economic, social and environmental benefits | <ol style="list-style-type: none"> 1. The Corporate Plan sets out the key priorities of the council and how they will be delivered. The current plan seeks to align council objectives with the UN Sustainability Development Goals under the banner 'Think global, act local.' 2. The Local Plan sets out the vision and plans for the shape of the District. The existing Local Development Scheme was adopted in | <p>The Corporate Plan has been adopted, and details were included in the report to Audit Committee.</p> <p>The draft Local Plan is being prepared, with further consultation planned later this year.</p> |

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| | <p>September 2024.</p> <ol style="list-style-type: none"> 3. A sustainability appraisal was delivered as part of the Local Plan assessing the effects of programmes on the environment and the Environmental Assessment of Plans and Programmes Regulations. 4. The Council has declared a climate change emergency with an objective of being carbon neutral by 2030. 5. The Council actively considers the environmental impact of decisions before those decisions are made. 6. A Climate Change Action Plan sets out how the council will deliver on its environmental objectives. The plan is reviewed annually. 7. The council has produced a Modern Slavery Statement which has been approved at full Council and is promoted to all our suppliers. 8. The council is committed to following the Living Wage as the minimum standard. | <p>The new Local Plan will be supported by policies setting out its strategy in relation to biodiversity and open spaces and transport.</p> <p>Environmental monitoring of the climate change action plan and the council's net zero commitments is undertaken by Cabinet and the Scrutiny Committee, under the environmental theme. A new Open Space Strategy was recently adopted by Cabinet.</p> <p>The annual performance statement includes data on the range of services delivered by the council.</p> <p>The council is seeking accreditation from the Living Wage Foundation.</p> <p>Other relevant policies include, but are not limited to: -</p> <ul style="list-style-type: none"> • Medium Term Financial Strategy • Town Centre management strategies • Smarter Ways of Working policy • Transport Strategy • Pay Policy |
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| D – Determining the interventions necessary to optimise the achievement of the intended outcomes | | |
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| Commitment | Procedures | Evidence |
| <ul style="list-style-type: none"> • Determining Interventions • Planning Interventions • Optimising achievement of intended outcomes | <ol style="list-style-type: none"> 1. The council has a Medium-Term Financial Strategy to resource its aspirations. The strategy is reviewed annually. 2. The Corporate Plan expresses the strategic objectives for the Council. 3. The annual report enables councillors and services to measure performance against targets and assist in decisions about where resources should be focused. 4. Service Delivery Plans are prepared by each Head of Service setting out their objectives and priorities for the year ahead. 5. Performance is measured against agreed performance indicators and regularly reviewed by senior management. 6. Arrangements are in place for quarterly budget monitoring, with significant variances reported to senior management. | <p>Budget management processes are in place to ensure rigorous monitoring takes place supported by the Finance team.</p> <p>Financial reports are provided to Cabinet on a half yearly basis.</p> <p>Corporate Plan progress and delivery against key performance indicators is provided to councillors.</p> <p>Appropriate governance is in place to monitor contracts and council owned companies.</p> |

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| | <ol style="list-style-type: none"> 7. The Capital Strategy report identifies how capital expenditure, capital financing and treasury management actively contribute to the provision of the corporate objectives. Information is periodically reported to Audit Committee. 8. Periodic internal audit reviews consider the effectiveness of controls and efficiency of processes 9. A standard format report for decision making is used to ensure decision makers receive objective and rigorous analysis of options indicating how intended outcomes would be achieved. | <p>A range of financial policies are in place, including, but not limited to -</p> <ul style="list-style-type: none"> • Capital Strategy • Investment Strategy • Treasury Management Strategy • Quarterly reporting to Audit Committee |
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E – Developing the entity's capacity, including the capability of its leadership and the individuals within it

| Commitment | Procedures | Evidence |
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| <ul style="list-style-type: none"> • Developing the Council's capacity • Developing the capability of the entity's leadership and other individuals | <ol style="list-style-type: none"> 1. The Council sets out a clear statement of the roles and responsibilities of councillors and officers in its Constitution. 2. The scheme of delegation within the Constitution makes clear what matters are reserved for collective decision-making by Cabinet or committees. 3. A protocol on councillor/officer relations is used to aid effective communication between councillors and officers and to clarify their respective roles and appropriate ways of working. 4. The Council's Head of Paid Service is responsible and accountable to the authority for its operational management. 5. The leadership are actively encouraging personal development of staff in advance of local government reorganisation. 6. The behaviours expected of employees are clearly defined in the Behaviours Framework. 7. New employees are provided with an induction programme and regular reviews with their manager. 8. Councillors are provided with an induction programme and regular briefings to support their role. 9. Councillor training is mandatory before sitting on the Planning, Licensing and Audit Committees. All councillors receive Code of Conduct awareness training. 10. A comprehensive e-learning programme supports staff training and development at all levels. 11. HR Policies are updated to give clear guidance to managers and staff and maintain the health and wellbeing of the workforce. | <p>The constitution was reviewed earlier this year to reflect the new joint chief executive senior management arrangements.</p> <p>The staff induction programme has been reviewed.</p> <p>A programme of statutory e-learning courses has been rolled out to staff covering topics such as equality and diversity, safeguarding, data protection, freedom of information and health and safety.</p> <p>Councillor briefings were provided throughout the year on a wide range of topics.</p> <p>Councillor training was provided to supplement the initial induction programme.</p> <p>HR policies supporting this objective include, but are not limited to -</p> <ul style="list-style-type: none"> • Staff induction programme • Training plan • Apprenticeship Levy • E-learning • JD/Job evaluation process |

| F – Managing risks and performance through robust internal control and strong public financial management | | |
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| Commitment | Procedures | Evidence |
| <ul style="list-style-type: none"> ● Managing Risk ● Managing Performance ● Robust Internal Control ● Managing data ● Strong public financial management | <ol style="list-style-type: none"> 1. A Risk Management Policy has been adopted, supplemented by procedures and guidance. 2. Risk assessments are carried where it is necessary to do so, including those covered by Health and Safety legislation. 3. A corporate risk register is reported to the Audit Committee on a quarterly basis, detailing the council's strategic risks and mitigation. 4. The Council respects the personal data it holds and will comply with the data protection principles in all of its business activities. 5. The Council respects the privacy of members of the public when carrying out investigations and ensures that privacy is only interfered with when the law permits and there is clear public interest justification. 6. The Council's Service Director Finance and Procurement is the Chief Financial Officer and S151 Officer and is responsible for ensuring the lawfulness and financial prudence of decision making. They are responsible for the financial affairs of the council and ensuring that appropriate advice is given on all financial matters. 7. Finance Officers support both long term achievement of outcomes, transformational change and short-term operational performance by identifying risks and working with Budget Holders to secure good stewardship. Quarterly budget monitoring is carried out and reported to Management Team, with biannual budget monitoring and outturn reports being reported to Cabinet and Full Council. 8. Audit reviews provide a level of assurance on the adequacy of internal controls and of risks to the council's function/systems including ensuring full compliance with relevant laws, internal policies and procedures. 9. Audit reporting independently to Audit Committee quarterly 10. Audit reporting on the overall adequacy and effectiveness of the framework of governance, risk management and robust controls. | <p>Risk management is embedded into the culture of the authority.</p> <p>A corporate risk register is reviewed every week by management team and reported quarterly to the Audit Committee.</p> <p>Regular budget monitoring is in place to ensure budget holders, heads of service and finance officers work together to ensure budgets are managed effectively. Periodic reports are submitted to Cabinet.</p> <p>The external and internal auditors report to the Audit Committee on a regular basis.</p> <p>Risk and compliance reports relating to council owned buildings are reported to management team on a monthly basis.</p> <p>The Data Protection Policy and Information Security framework is reviewed periodically.</p> <p>Training is provided to ensure compliance with the Regulation of Investigatory Powers Act 2000.</p> <p>A range of financial and compliance monitoring policies and procedures are used to manage risk and compliance, including the following -</p> <ul style="list-style-type: none"> ● Internal audit plan ● Annual external audit ● Member/Officer Protocol ● Financial Regulations and Contract Standing Orders ● Quarterly budget monitoring ● Risk register ● Compliance monitoring |

| G – Implementing good practices in transparency, reporting, and audit to deliver effective accountability | | |
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| Commitment | Procedures | Evidence |
| <ul style="list-style-type: none"> • Implementing good practice in transparency • Implementing good practices in reporting • Assurance and effective accountability | <ol style="list-style-type: none"> 1. The Council makes sure members of the public have access to information about the workings of the Council. It makes clear what information is routinely published through its website and publication scheme. 2. Governance is in place for arrangements delivered through council owned companies or partnership arrangements. Business plans and performance is reported to the relevant committees. 3. The Council maintains an independent internal audit function through the East Kent Audit Partnership (EKAP). EKAP prepares an annual plan to assess policies and procedures across a range of council services. 4. The Head of the EKAP produces an annual opinion on the Council's internal control environment and the risk management framework to meet the requirements of the Public Sector Internal Audit Standards. This informs an Annual Governance Statement signed by the Head of Paid Service and Leader of the Council and approved by the Audit Committee. 5. The Council also agrees an annual work plan with its external auditors to test the Council's response to major legislation and the soundness of its financial and governance processes. 6. Recommendations arising from internal and external audit and inspection processes are used to inform future decision-making. 7. The internal audit function is independent of the council and has direct access to officers and councillors. 8. All audit findings are reported to Audit Committee quarterly. Follow up reports review how well the council has responded to the recommendations 9. The Council uses an Independent Remuneration Panel to give advice on payments for Members and considers their advice when setting the Members' Allowance Scheme. 10. The Members' Allowance Scheme is made available to the public and on the Council's website. The scheme is reviewed every four years, with increases in allowances aligned to staff pay awards. Members expenses are published annually. 11. The Annual Governance Statement sets out the arrangements in place for assessing overall governance of the council and provides examples of how they are delivered. | <p>The council's Publication Scheme has been audited and updated to reflect the recommendations.</p> <p>Shared service and company arrangements are reported to the East Kent Services Committee, Scrutiny Committee, Companies Advisory Committee and Cabinet, as appropriate.</p> <p>The audit work programme has been reviewed by the Audit Committee.</p> <p>Outcomes from internal and external audits have been reported.</p> <p>Membership of the East Kent Independent Remuneration Panel was reviewed this year, with Folkestone and Hythe District Council joining the panel and a CCC representative added to provide parity of numbers between all member authorities.</p> <p>Data is regularly updated on the council's website in accordance with the Transparency Code.</p> |

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| | 12. Information is published in accordance with the Transparency Code 2015 and the ICO's recommended publication scheme. | |
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Monitoring and reporting

The Council will undertake an annual review of its corporate governance arrangements to ensure continuing compliance with best practice to provide assurance that they are adequate and operating effectively in practice. Where reviews of the corporate governance arrangements have revealed gaps, actions will be planned to enhance the governance arrangements accordingly.

The Council will prepare an Annual Governance Statement which will be submitted to the Audit Committee for consideration and will form part of the Council's annual Statement of Accounts.

The Governance Statement will include:

- an acknowledgement of responsibility for ensuring there is a sound system of governance (incorporating the system of internal control) and reference to the authority's code of governance;
- a reference to and assessment of the effectiveness of key elements of the governance framework and the role of those responsible for the development and maintenance of the governance environment;
- an opinion on the level of assurance that the governance arrangements can provide and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework;
- a reference to how issues raised in the previous year's annual governance statement have been resolved; and
- a conclusion including a commitment to monitoring implementation as part of the next annual review.

The Annual Governance Statement will be signed by the Leader of the Council and the Head of Paid Service on behalf of the Council.

Review of effectiveness

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 |
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| 1. The Authority | <p>The Authority's objectives from 2024 to 2028 are set out in its Corporate Plan.</p> <p>These are based on 4 main priorities headed Greener, Fairer, Better, Stronger.</p> <p>Greener - delivering on the council's climate change and biodiversity emergencies</p> <p>Fairer- use the information we have to target our services at those most in need of support</p> <p>Better - delivering more social houses back into our housing stock, making developers deliver more affordable housing across the district, using our planning system to deliver more first homes for local residents, and ensuring those homes are of good quality and low impact on our environment</p> <p>Stronger - effective in what we do, efficient in the ways we deliver and trustworthy in the ways we consider and make decisions</p> | <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 and external mechanisms such as:</p> <ul style="list-style-type: none"> the Audit and Governance Role Risk Management Budget Monitoring & Control Performance Management and monitoring Procedures set out in the Council's Constitution External Resident / Public consultation and Satisfaction Surveys. |
| 2. The Council Committee Structure | <p>In May 2022, the council changed governance arrangements, moving away from the committee model back to the leader and cabinet model.</p> <p>The Cabinet is made up of the Leader, who is elected by the Council, and a small number of Cabinet Members appointed by the Leader. Each Cabinet Member is designated a portfolio of responsibilities by the Leader.</p> | <p>Full Council retains responsibility for non-executive functions such as planning and licensing. Planning Committee determine the most significant applications and those called in by ward councillors.</p> <p>The Licensing Sub-Committee meets regularly, primarily to determine premises license applications where objections have been received.</p> <p>Full Council elected to set up a number of other committees to perform specific functions, including Audit, Standards, General Purposes and Appointments Committees.</p> |

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| | <p>The Cabinet is responsible for providing political leadership to the council. They determine policies within the envelope of the policy framework and recommend the budget to Full Council.</p> <p>Robust Scrutiny arrangements are in place to support the governance model. The Overview Committee provides pre-decision scrutiny of significant items prior to Cabinet and oversight of Overview sponsored working group activity. Public speakers are encouraged to speak at this committee to maximise input prior to decisions being made.</p> <p>The Scrutiny Committee reviews performance and has the power to 'call-in' cabinet decisions. A new programme of themed meetings was adopted in September 2024 to enable the committee to do deeper dives into their chosen topics. There were no call-ins in 2024/25.</p> <p>The Whitstable Harbour Board makes strategic decisions regarding the Harbour land, property and marine safety.</p> | <p>A number of partnership committees are in place, including the Joint Transportation Board, East Kent Services Committee and the South Thames Gateway Building Control Partnership.</p> <p>Details of the responsibilities assigned to each committee can be found in Terms of Reference in the Council's Constitution, alongside the delegations from Full Council to Officers.</p> <p>Working Groups have been retained within the current arrangements to undertake in-depth reviews. Each working group comprises a cross-party group of councillors supported by officers who are tasked with reviewing specific issues. A working group update was provided to Cabinet and Overview Committee in June 2025, where the current programme was agreed.</p> |
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| DESCRIPTION OF KEY ELEMENTS | ROLE | REVIEW OF EFFECTIVENESS |
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| 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 whistleblowing 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 Council's constitution and recommend changes.</p> | <p>The Audit Committee approved the 2024/25 Audit Plan in March 2024 setting out the programme of work for reviewing and monitoring the activities of the Council, in particular its internal financial controls.</p> <p>An annual report providing a summary of the audit work carried out in 2024/25 was presented at the July 2025 committee meeting. The majority of reviews had been given a substantial or reasonable assurance and there were no major areas of concern that would give rise to a qualified opinion.</p> <p>Quarterly reports of the Strategic Risk Register are made to this committee after they have been updated by senior managers.</p> <p>The Audit Committee approved the 23/24 annual accounts at the January 2025 meeting. The 24/25 draft annual accounts will be presented to Audit Committee in October 2025.</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 along with many others, has adopted the Kent-wide code of conduct for councillors and a standardised procedure for handling a complaint as agreed by the Kent Secretaries. It was last reviewed in 2023.</p> <p>During 2024/25 there was one complaint received regarding the conduct of councillors and two against parish councillors. None of the complaints submitted were serious enough following assessment in conjunction with the Independent Person to require referral to the Standards Committee.</p> |

| DESCRIPTION OF KEY ELEMENTS | ROLE | REVIEW OF EFFECTIVENESS |
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| 5. Internal Audit | <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</p> <p>The overall opinion of the System of Internal Controls in operation throughout 2024/25 based on the work of the East Kent Audit Partnership is presented in their annual report to the Governance and Audit Committee in July.</p> <p>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 2024/25 which was presented to the Audit Committee in July 2025.</p> <p>The East Kent Audit Partnership have considered the Public Sector Internal Audit Standards (PSIAS) and an external review was commissioned. In July 2024 an external quality assessment of Internal Audit was presented to Audit Committee detailing current services are assessed to Generally Conforms with PSIAS standards, this is the highest rating available.</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 |
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| 6. Other reviews / Assurance Mechanism | <p>The Performance Board, comprising The Head of Paid Service, relevant Director and representatives from Finance and Commissioned Services meets with each Director and each Head of Service to review their Service Specification and Operating Plan, which includes agreed KPI's and the latest financial monitoring statement.</p> <p>The Corporate Plan Key Performance Indicators for 2021-24 were agreed by the Policy Committee on 20 April 2022.</p> <p>The Audit Committee receives the annual assurance report from our external auditors (Grant Thornton).</p> <p>Councillor Working Groups undertake regular reviews of particular service areas. The programme is overseen by both Cabinet and the Overview Committee.</p> | <p>Performance updates on housing performance, corporate performance and contract performance were submitted to the Scrutiny Sub-Committee and Cabinet in November 2023.</p> <p>A review of working groups and topics was presented to Cabinet and the Overview Committee in June 2025.</p> <p>Cabinet</p> <ul style="list-style-type: none"> • Local Plan • Short-term lets <p>Overview</p> <ul style="list-style-type: none"> • Older Persons accommodation review • Access to customer services |

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 the Annual Governance Statement are set out is detailed 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.
- 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, Directors, Management Team and Councillors at Audit and Governance Committees.
- Risks identified at Management Team and Departmental Team meetings.

The risk register is monitored and reviewed quarterly by the following: -

- Directors and Service Heads
- Management Team
- Audit Committee

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 24 risks on the strategic risk register at 31st March 2025, scores ranging from 25 down to 4.

The highest risk scores were concerned with:

- Balancing the Budget
- Homelessness

- Housing Assets – Maintenance and Compliance
- Local Government Reorganisation

During 2024/25 there were a number of national and international events that continued to have a huge impact on the work the council undertakes and these events have also increased the financial burden. The Ukrainian and the Afghanistan refugees support meant that staff resource has continued to be diverted to support these communities.

The legacy of the restrictions during the Covid pandemic and the subsequent struggle for the business community to grow their businesses back to pre-covid levels has led to the closure of a number of businesses in the district. This has impacted on the council's ability to achieve the expected rental income. The unexpected fuel shortages and the current cost of living crisis have all resulted in increased spend on supplies and the extra financial burden on our residents has impacted on greater use of all the services the council provides to support the community.

Throughout the uncertain year the council has continued to move forward to continually improve the services provided to local business and residential community. The contract and excellent relationship the council has with Canenco continues to strengthen the services for waste collection and street cleansing and by focussing on digital progression the customer now has easier access to services and information in a number of areas.

Several large projects have been completed. The Riverside development is almost complete with multiple units let, and the relocation of the council offices project is due to complete in Autumn 2025. Work on the Levelling Up Funded projects to enhance the district and provide more community spaces are well underway.

Management realise that there is a huge amount of work to do to set future balanced budgets, to improve the quality of our housing stock and to provide quality social housing for our residents. Therefore, the highest scoring risks during the first part of the 2025/26 financial year are likely to remain as:

- Balancing the Budget
- Housing Demand
- Housing Assets – Maintenance and Compliance

The Strategic Risk Register will continue to be monitored, updated and reported to Audit Committee.

Throughout yet another very challenging financial year the robust controls in 2024/25 remained relevant and have been effective.

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 and the financial management arrangements conform to the governance requirements of the CIPFA framework for Delivering Good Governance and the statement on the Role of the Chief Financial Officer in Local Government.

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 actions address the improvements identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.



Signed:

Cllr Alister Brady, Chair of Audit Committee



Signed:

Joint Chief Executive on behalf of Canterbury City Council