

Annual Governance Statement for the 2025/26 Accounts

Good Governance

Good governance is about how the Council ensures 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 the cultures and values, by which the Council is directed and controlled and through which it engages with 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.

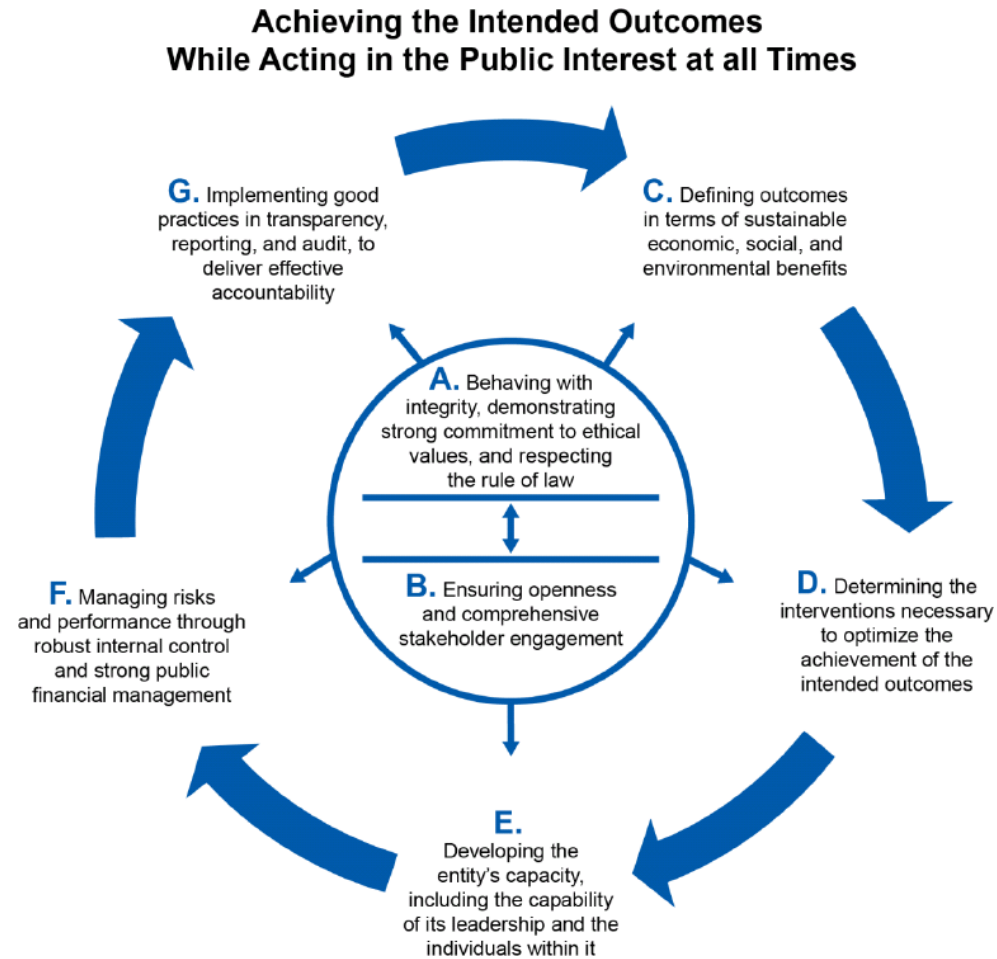
This local code of governance has been developed in accordance with and is consistent with the CIPFA/Solace publication "Delivering Good Governance in Local Government framework 2016", which builds on the seven Principles for the Conduct of Individuals in Public Life.

Core principles of good governance

- A. The core governance principles of the council are: -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. It also explains 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 principle in turn and sets out the systems, processes and arrangements 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 actions to enhance the Code and address any limitations.

A– Behaving with Integrity, with commitment to ethical values, and respect for the law		
Commitment	Procedures	Evidence
<p>Behaving with Integrity</p> <p>Demonstrating strong commitment to ethical values</p> <p>Respecting the rule of law</p>	<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 authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. They form part of the Council's 	<p>The constitution was reviewed once in 2025/26 with recommendations approved by Council on 30 April 2026. Changes included updates to the senior officer delegations, enhancements to the public speaking arrangements for planning Committee and the formal adoption of a demonstrations protocol to manage disruption in meetings.</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 along with the policies referenced in the code.</p> <p>Adopted polices include:</p> <ul style="list-style-type: none"> ● Complaints ● Anti-fraud, bribery, corruption and whistleblowing ● Equalities ● Information security <p>A new system has been introduced to manage complaints and the Complaints Policy has been updated to reflect recommendations made in a recent review</p>

	<p>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>by the Housing Regulatory Inspector.</p> <p>Annual updates are provided on 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
<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 services, engaging with all sections of the community through workshops, surveys, stakeholder events and witness sessions. The 	<p>Committee agendas & minutes are published on the website, with a presumption towards transparency.</p> <p>There are opportunities for public participation through public speaking and petitions. Public speaking arrangements at Planning Committee were reviewed this year.</p> <p>A new consultation strategy and engagement strategy was approved by Cabinet in April 2026.</p> <p>PartnershipOne Ltd deliver customer services on behalf of the council and publishes monthly performance reports.</p>

	<p>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>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 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 councillor working group looking at access to customer services is about to conclude and report its findings. Topics covered included digital accessibility and equality and diversity.</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 union representatives and 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

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 Local Development Scheme is maintained alongside it. 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>An annual corporate plan update with revised KPIs for the coming year was provided to Cabinet.</p> <p>Themed reports were provided to Scrutiny Committee through the year.</p> <p>The draft Regulation 19 Local Plan was approved for consultation prior to submission to the Planning Inspector.</p> <p>The new Local Plan is supported by policies setting out its strategy in relation to biodiversity and open spaces and transport.</p> <p>A new Statement of Community Involvement was approved by Cabinet in January 2026.</p> <p>The council manages an Open Space and Biodiversity Group involving stakeholders to support the delivery of environmental policies.</p> <p>The council has engaged officers to manage delivery of the climate change action plan and the council's net zero commitments.</p> <p>The council has achieved accreditation from the Real Living Wage Foundation as a Living Wage Employer.</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

D – Determining the interventions necessary to optimise the achievement of the intended outcomes

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. 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>Budget management processes are in place to ensure rigorous quarterly monitoring takes place, supported by the Finance team.</p> <p>Financial reports are provided to Cabinet on a half yearly basis.</p> <p>The Scrutiny Committee reviews the financial outturn as part of its themed reporting.</p> <p>Corporate Plan progress and delivery against key performance indicators is provided to councillors.</p> <p>Appropriate governance arrangements are in place to monitor contracts and council-owned companies.</p> <p>The Audit Committee reviews the corporate risk register at every meeting</p> <p>It also reviews and agrees the annual internal audit plan.</p> <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

E – Developing the entity’s capacity, including the capability of its leadership and the individuals within it

Commitment	Procedures	Evidence
<ul style="list-style-type: none"> ● Developing the Council’s capacity ● Developing the capability 	<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 	<p>The council’s scheme of delegation is reviewed annually.</p>

<p>of the entity's leadership and other individuals</p>	<p>Cabinet or committees.</p> <ol style="list-style-type: none"> 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 staff induction programme is the subject of regular review to refine our processes and ensure mandatory training is undertaken.</p> <p>A programme of statutory e-learning courses is completed by staff covering topics such as equality and diversity, safeguarding, data protection, freedom of information and health and safety. A selection of discretionary courses are also available.</p> <p>Councillor briefings are provided throughout the year on a wide range of topics. These are reported annually in the Governance Statement to the Standards Committee.</p> <p>Councillor training is provided to supplement the induction programme.</p> <p>Manager training was provided on new HR legislation introduced this year.</p> <p>HR polices 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
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F – Managing risks and performance through robust internal control and strong public financial management		
Commitment	Procedures	Evidence
<ul style="list-style-type: none"> ● Managing Risk ● Managing Performance ● Robust Internal Control ● Managing data 	<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 	<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>

<ul style="list-style-type: none"> ● Strong public financial management 	<p>mitigation.</p> <ol style="list-style-type: none"> 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>Performance management is monitored internally by the Corporate Improvement Board (CIB). Each Head of Service maintains KPI's which are reported to CIB.</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 corporate management team, Cabinet and Scrutiny Committee.</p> <p>The external and internal auditors report to the Audit Committee on a regular basis.</p> <p>The housing function was recently reviewed by the Housing Regulatory Inspector. Delivery of the action plan arising from the review is being overseen by a Cabinet Committee.</p> <p>Risk and compliance reports relating to council's housing stock is reported to management team on a monthly basis.</p> <p>The Information Security framework has been reviewed and consulted upon this year.</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
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G – Implementing good practices in transparency, reporting, and audit to deliver effective accountability

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>The council meets the necessary accessibility and cyber security requirements in relation to its website and enterprise architecture.</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>A governance matrix of council company oversight was presented to the Cabinet Committee, Scrutiny Committee and Audit Committee this year to promote clarity and understanding of the arrangements.</p> <p>The audit work programme is reviewed annually by the Audit Committee to ensure resources are directed appropriately.</p> <p>Outcomes from internal and external audits are reported along with follow up reviews.</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>

Monitoring and reporting

The Council will undertake an annual review of its corporate governance arrangements to ensure continuing compliance with best practice and to provide assurance that they are adequate and operating effectively in practice. Where reviews identify gaps, actions will be planned to strengthen 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 applied to maintain and review the effectiveness of the governance framework is set out in the table below:

DESCRIPTION OF KEY ELEMENTS	ROLE	REVIEW OF EFFECTIVENESS
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.
DESCRIPTION OF KEY ELEMENTS	ROLE	REVIEW OF EFFECTIVENESS
2. The Council Committee Structure	<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>The Cabinet is responsible for providing political leadership to the council. They determine policies within</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>the envelope of the policy framework and recommend the budget to Full Council.</p> <p>A Cabinet Committee oversees the company health (governance) and business plan proposals of council-owned companies. A second Cabinet Committee is overseeing the council's response to the Housing Regulatory Inspector's report.</p> <p>Robust Scrutiny arrangements are in place to support the governance model.</p> <p>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 was one call-in in 2025/26.</p> <p>The Whitstable Harbour Board makes strategic decisions regarding the Harbour land, property and marine safety.</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> <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 are being wound up to create capacity for Local Government Reorganisation. An annual update of working group activity is provided to Cabinet and Overview Committee.</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>The Audit Committee approved the 2026/27 Audit Plan in April 2026 setting out the programme of work for</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 Council’s constitution and recommend changes.</p>	<p>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 2025/26 will be presented to a future meeting of the committee.</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 24/25 annual accounts at the January 2026 meeting.</p>
DESCRIPTION OF KEY ELEMENTS	ROLE	REVIEW OF EFFECTIVENESS
4. Complaint Handling under the Localism Act	Under the Localism Act 2011, arrangements have been adopted for dealing with complaints of misconduct by councillors.	<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 2025/26 there were seven complaints received regarding the conduct of 16 councillors – two of those were City Councillors and 14 were Parish Councillors. Three of those complaints were from the same complainant and each related to four Parish Councillors thereby accounting for 12 of the 16 complaints regarding Parish Councillors.</p> <p>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
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 2025/26 based on the work of the East Kent Audit Partnership is presented in their annual report to the 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
6. Other reviews / Assurance Mechanism	<p>The Corporate Improvement Board (CIB) meets with each Head of Service to review their KPIs</p> <p>Financial monitoring is undertaken by each Head of Service on a quarterly basis.</p> <p>The Audit Committee receives the annual assurance report from our external auditors (Grant Thornton).</p>	<p>Performance updates are presented to Cabinet in relation to Corporate Plan delivery, financial management and contract performance.</p> <p>The Scrutiny Committee completes a themed programme of meetings which includes a 'deeper dive' into a particular topic within the theme. The annual programme of themed meetings can be seen here.</p> <p>Departments are in the process of reviewing their service functions and records management in readiness for Local Government Reorganisation.</p>

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 19 risks on the strategic risk register at 1 April 2026, scores ranging from 20 down to 9.

The highest risk scores were concerned with:

- Local Government Reorganisation
- Relationships with Trusts and other outside bodies
- Cyber incident

During 2025/26 there were a number of national and international events that continued to have an impact on the work the council undertakes and these events have also increased the financial burden. Examples include increases to fuel and energy costs, which affects direct costs and also those of residents and businesses.

Throughout the year, the Council has continued to improve services for local businesses and residents.

We are working closely with our council-owned companies who manage a range of critical services on our behalf.

We continue to focus on digital improvements to improve customers access and cyber resilience.

Several large projects are in progress, including the Levelling Up Fund projects, delivering over £20m of enhancements to the public realm and historic elements of Canterbury that will leave a legacy post-reorganisation.

Addressing key risks in the risk register remains a priority, with work underway to improve and maintain our housing stock, implement the Local Plan, leverage public and private sector investment, manage coastal and river flooding, ensure business continuity is robust and ensure staff are well placed to manage local government reorganisation.

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

Robust controls in place for the financial year 2025/26 remain relevant and continue to be 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 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 will continue to monitor these actions to further enhance our governance arrangements. We are satisfied that the actions address the improvements identified in our review of effectiveness, and we will monitor their implementation and operation as part of our next annual review.

Signed:
Cllr Alan Baldock, Leader of the Council

Signed:
Joint Chief Executive on behalf of Canterbury City Council