

Appendix 1



Folkestone & Hythe District Council Annual Governance Statement 2024/25



ANNUAL GOVERNANCE STATEMENT

1. INTRODUCTION:

- 1.1 The Leader of the Council (Councillor Jim Martin) and Chief Executive (Dr Susan Priest) both recognise the importance of having excellent systems in place to manage the delivery of services to the residents of Folkestone & Hythe. Each year the Council is required to produce an Annual Governance Statement (AGS) which describes how its corporate governance arrangements have been working. This AGS is in respect of the 2024/25 financial year.

2. SCOPE OF RESPONSIBILITY

- 2.1 Folkestone and Hythe District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The 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.
- 2.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and the management of risk.
- 2.3 The Council has a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA / SOLACE framework “Delivering Good Governance in Local Government.” A copy of the code is on our website. This statement explains how the Council has complied with the code and also meets the requirements under the Accounts and Audit Regulations 2015 (SI 2015/184).

3. THE PURPOSE OF THE GOVERNANCE FRAMEWORK:

- 3.1 The governance framework comprises the systems and processes, culture and values, by which the Council is directed and controlled. It also comprises the activities through which the Council accounts to, engages with and leads the community. The governance framework 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.
- 3.2 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. It 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 risks to the achievement of the Council’s aims and objectives.

- Evaluate the likelihood and impact of those risks.
- Manage those risks efficiently, effectively and economically.

The information provided in the governance framework includes matters to the year ending 31 March 2025, and up to the date of approval of the annual report and statement of accounts.

4. HOW WE APPLY THE GOVERNANCE FRAMEWORK TO THE LOCAL CODE OF CORPORATE GOVERNANCE

4.1 The Council aims to achieve effective corporate governance through the Local Code of Corporate Governance. The table below highlights examples of how the Council has adhered to its governance commitments as set out in the Code and includes hyperlinks to sources of further information which include more detail about how the Council has implemented its commitments:

Principle A. BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES AND RESPECTING THE RULE OF LAW	
How the Council meets these principles	Where you can see Governance in action:
<p>Code of Conduct: There are codes of conduct in place for all Councillors and Officers which can be found in Parts 9.1 and 8.3 of the Constitution.</p> <p>The Council has appointed independent persons to investigate any allegations of misconduct and the Audit and Governance Committee receives regular reports from the Monitoring Officer on any complaints regarding Councillors.</p> <p>Complaints of misconduct by an officer, will be directed to the employee’s line manager or corporate director and will be dealt with in accordance with the Council’s disciplinary procedures.</p>	<p>Code of Conduct for Councillors</p> <p>Code of conduct for officers</p> <p>Audit and Governance Committee Folkestone & Hythe District Council (moderngov.co.uk)</p>
<p>Constitution: Sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to citizens. Some of these processes are required by the law, while others are a matter for the Council to choose. The Constitution is divided into 15 articles, which set out the basic rules governing the Council's business.</p> <p>The Council’s Constitution notably contains the standing orders, scheme of delegation, financial regulations and contracts procedure rules.</p>	<p>Council Constitution</p>

<p>Anti-Fraud and Corruption Framework, Fraud Response Plan and Whistleblowing:</p> <p>The aim of this document is a policy statement of the Council’s strategy for combating and dealing with fraud and corruption both within and against the authority. As such, it provides an overview of the key principles to be observed by members and staff.</p> <p>The Anti-Fraud & Anti-Corruption Framework is divided into five smaller targeted documents, including the Anti-Fraud & Anti-Corruption Strategy, the Fraud Response Plan, the Whistle Blowing Protocol, the Anti-Money Laundering Policy and the Anti Bribery Policy.</p>	<p>Anti-Fraud and Corruption Framework</p>
<p>Council Employment Terms</p>	<p>All Council employees have clear conditions of employment as set out in their employment contract, and roles and responsibilities, including corporate responsibilities, are set out in job descriptions. Staff are required by their employment contract to comply with the Officer Code of Conduct. A variety of related employment policies and guidance notes are available to staff via the internal intranet and highlighted during their induction process. Staff are notified as updates are made.</p>
<p>Declaration of Disclosable Pecuniary Interests: A member must, before the end of 28 days beginning with the day he/she becomes a Member or Co-opted Member of the Authority, or before the end of 28 days beginning with the day on which this Code takes effect (whichever is the later), notify the Monitoring Officer of any Disclosable Pecuniary Interest (DPI).</p> <p>Councillors must also disclose interests which are not registered but which are relevant to matters to be discussed at a meeting of the authority. Councillors are barred from participating in any discussion on, or voting on, the matter in relation to which the Member has a disclosable pecuniary interest.</p> <p>There is an up-to-date register of gifts and hospitality, and an annual register of declarations. Members are required to update any change in their DPI to the Monitoring Officer. Any</p>	<p>Declarations of Interest</p>

<p>declarations of interest made during meetings are recorded in the minutes.</p>	
<p>Staff Declaration of interests</p> <p>Under the Officer Code of Conduct employees are required to declare, on the standard form, any:</p> <ul style="list-style-type: none"> • Pecuniary interest in a contract • Relationships with Council contractors • Financial or non-financial interests that may conflict with the Council’s interests • Membership of closed organisations • Voluntary declarations, including connections that the Officer or their family or friends have with any potential third party, or any interests that the Officer or their family or friends have that could potentially create conflict of interest in the future. <p>Officers are also required to declare:</p> <ul style="list-style-type: none"> • Any additional employment • Voluntary work • Any gifts or hospitality offered or accepted. 	<p>All Council employees are required to complete a standard declaration form, even in cases where there is nothing to declare.</p> <p>In 2023/24 an exercise was undertaken to provide all Officers with specific training and ensure that all completed the standard form. A further training session was delivered in 2024/25 for staff that had joined since the 2023/24 sessions.</p> <p>All new Officers are required to read the Code of Conduct and complete a declaration form as part of their induction process, including in cases where there may be nothing to declare. The need to disclose additional employment or volunteering, and declare any gifts and hospitality offered or received, are also contained in the induction. Staff are subsequently required to review the Code of Conduct and their declarations as part of the appraisal process in Jan/Feb each year and then again as part of a specific annual process undertaken in August.</p> <p>All officers must also complete anti-bribery and corruption training (e-learning) as part of their induction process and then on an annual basis thereafter.</p>
<p>Compliments & Complaints Procedure: The Council has a complaints and feedback system, which records and monitors customer comments, complaints and requests for information.</p>	<p>Council's complaints procedure</p>
<p>Management Structure: The Council has established senior leadership team in place known as the Corporate Leadership Team (CLT) which is the main officer decision-making body and works with elected members, to provide strategic</p>	<p>Corporate Leadership Team</p>

direction and run key Council services. CLT consists of the following positions:

- **Chief Executive**
- **Director of Strategy and Resources**
- **Director of Housing and Operations**
- **Director of Finance (Section 151 Officer)**
- **Interim Director of Governance and Finance (Fixed Term) until end of July 2025.**

A further 7 Chief Officers and 2 Heads of Service make up extended Senior management team that report into the following directors:

- **Director of Strategy and Resources:**
 - **Chief Officer – Planning & Building Control**
 - **Chief Officer – People & Customer Services**
 - **Head of Corporate Policy**
 - **Head of Legal Services**
- **Director of Housing and Operations:**
 - **Chief Officer – Housing**
 - **Chief Officer – Regulatory & Community Services**
 - **Chief Officer – Place & Growth**
 - **Chief Officer – Corporate Estates & Development**
- **Interim Director of Governance and Finance**
 - **Chief Officer – Financial Services (Vacant)**

The Council has the following statutory officer positions in place that are responsible for the following:

Head of Paid Service: This role resides with the Chief Executive and has a duty to monitor and review the operations of the Constitution to ensure its aims and principles are given full effect. The Authority keeps the appropriateness of the Constitution under review.

Chief Finance Officer (Section 151): The interim Director of Governance and Finance held the role of Chief Finance Officer during 2024/25 year, a fundamental building block of good corporate governance. The two critical aspects of the role are stewardship and probity in the use of resources; and performance, extracting the most value from the use of those resources. A new Director of Finance commenced employment with the Council on 17th March 2025 with statutory powers for the Section 151 officer being formally

[Organisation chart, covering staff in the top three levels of the organisation.](#)

assigned to the new Director of Finance by Full Council on 2nd April 2025 (ref: A/24/24).

Monitoring Officer: This position was held for the majority of the 2024-25 year by the Assistant Director for Governance, Law and Democracy. The Director for Strategy and Resources was appointed to the role by Full Council on 29th January 2025 (Ref: A/24/17). The role of Monitoring Officer and is responsible for:

- Maintaining and interpreting the Councils constitution, ensuring lawfulness and fairness of decision-making.
- Providing advice to all Councillors and officers, on the scope of powers and authority to take decisions; maladministration; financial impropriety; probity; and Budget and Policy Framework issues.
- Conducting investigations, or arrange for investigations to be conducted, into complaints concerning alleged breaches of the Councillor’s Code of Conduct.

Principle: B - ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

How the Council meets these principles

Corporate Plan: The Council identifies and communicates its aims and ambitions for the district through its current Corporate Plan. The plan covers the period 2021 to 2030. The current Corporate Plan sets out the Council’s vision for improving the lives for all those who live and work in the district.

Following the local elections in May 2023, which brought about change in the Council’s political control, the elected administration led by both the Green Party and the Liberal Democrats requested the current corporate plan be reviewed to reflect the priorities of the current administration. Work on shaping new the plan has continued throughout 2024/25 year through meetings of the Corporate Plan Working Group and a public consultation with residents and stakeholders on the draft priorities of the proposed plan taking place between July-September 2024.

A final draft version of the new corporate plan (Our District, Our World) was considered by the Council’s Cabinet at an

Where you can see Governance in action:

[Corporate Plan 2021-30](#)

<p>extraordinary meeting held on 20th March 2025 (report ref: C/24/85) asking Cabinet to recommend to Full Council that it approves the draft Corporate Plan.</p> <p>The new corporate plan – ‘Our District, Our World’ is built around the five following themes:</p> <ul style="list-style-type: none"> • Leadership: A well-run, listening Council that works closely with its partners • Community: Improving people’s health, wellbeing and sense of community • Home: Building new homes, improving the quality of existing homes and tackling homelessness • Economy: Growing the economy in a sustainable way and creating opportunities for all • Nature: Enhancing our local environment and supporting climate action <p>Under each of the themes there are the Sustainable Development Goals developed by the United Nations. These 17 goals have been agreed by countries and organisations around the world to guide their work.</p> <p>A supporting action plan that will monitor the key strategic projects and deliverable actions planned for ‘year-one’ of the new Corporate Plan will be considered by Cabinet in July 2025.</p>	<p>Corporate Plan ‘Our District, Our World’ 2025-30 (Draft)</p>
<p>Freedom of Information and Transparency: The Council is committed to transparency and publicises information in line with the publication scheme under the Freedom of Information Act. In addition, we subscribe to the government’s transparency agenda and publish information such as remuneration for senior management and information on items of expenditure over £500. Information published includes:</p> <ul style="list-style-type: none"> • Senior Staff Salaries • Organisational Structure Chart • Payment to suppliers (over the value £250) • Purchase Orders (£5,000 and over) • Pay Multiples - The ratio between the earnings of the highest paid employee and the median earnings figure of our employees. 	<p>Freedom of Information</p> <p>Council Transparency</p> <p>Council Publication Scheme</p>

<ul style="list-style-type: none"> • Grants to Voluntary, Community and Social Enterprise Organisations • Parking Accounts • Local Authority Land Assets • Fraud - Information relating to the work we do countering fraud • Trade Union Facility Time 	
<p>Council Committees and papers: The Council’s democratic function is responsible for ensuring agendas and key decisions are published in line with the statutory legal requirements. They are also responsible for supporting the scrutiny function of the Council and publishing a corporate calendar of dates annually. Meetings are held face to face and are livestreamed for the public to view to support transparency in decision-making. Restricted papers are kept to a minimum and if necessary commercially sensitive data, or that with an exemption, is redacted.</p>	<p>Committees and Papers</p>
<p>Social Media: The Council has a Facebook page and X feed which is actively promoted and used. To promote transparency and wider engagement with Council decisions, residents can use social media such as Facebook, X, LinkedIn and Instagram to get updates from and interact with the Council.</p>	<p>Folkestone & Hythe District Council Folkestone Facebook</p> <p>https://x.com/fstonehythedc</p> <p>Folkestone & Hythe District Council LinkedIn</p> <p>Folkestone & Hythe DC (@folkestonehythedc) • Instagram</p>
<p>Council Website: The Council’s website is set out in a clear and easily accessible way, using plain language. The information which residents use most, such as Council Tax and Waste and Recycling, can be accessed quickly and easily from the homepage.</p>	<p>www.folkestone-hythe.gov.uk</p>
<p>Statement of Accounts: The Statement of Accounts provides a clear summary of the Council’s activity over the previous year, so that residents can see where money has been spent and what this has achieved.</p>	<p>Statement of accounts Folkestone & Hythe District Council (folkestone-hythe.gov.uk)</p>

Principle: C: DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFITS

How the Council meets these principles

Where you can see Governance in action:

Corporate Plan: The Council identifies and communicates its aims and ambitions for the district through its current Corporate Plan. The plan covers the period 2021 to 2030. The current Corporate Plan sets out the Council’s vision for improving the lives for all those who live and work in the district.

[Corporate Plan 2021-30](#)

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A final draft version of the new corporate plan (Our District, Our World) was considered by the Council’s Cabinet at an extraordinary meeting held on 20th March 2025 (report ref: C/24/85) asking Cabinet to recommend to Full Council that it approves the draft Corporate Plan.

[Corporate Plan ‘Our District, Our World’ 2025-30 \(Draft\)](#)

The new corporate plan – ‘Our District, Our World’ is built around the five following themes:

- Leadership: A well-run, listening Council that works closely with its partners
- Community: Improving people’s health, wellbeing and sense of community
- Home: Building new homes, improving the quality of existing homes and tackling homelessness
- Economy: Growing the economy in a sustainable way and creating opportunities for all
- Nature: Enhancing our local environment and supporting climate action

<p>Under each of the themes there are the Sustainable Development Goals developed by the United Nations. These 17 goals have been agreed by countries and organisations around the world to guide their work.</p> <p>A supporting action plan that will monitor the key strategic projects and deliverable actions planned for ‘year-one’ of the new Corporate Plan will be considered by Cabinet in July 2025.</p>	
<p>Digital Strategy: This strategy describes how the Council will operate and the contribution that ICT and Digital technology will make. There are three priority areas that will enable us to deliver the Strategy. These are: Digital Customer Service, Digital Workforce and Digital Place.</p> <p>In October 2024, the Council appointed Socitm to review their Digital & ICT needs across all directorates and assess if the current ICT & Digital service meets corporate requirements. Additionally, the review aimed to understand FHDC's digital maturity and how well digital technologies have been integrated into operations, services, and culture.</p> <p>Following this review a new Digital & ICT strategy is being produced which will also align with the new Customer Access Strategy. The new strategy will be ready in quarter 2 of 2025/26 year.</p>	<p>Digital Strategy</p>
<p>Council Budget: The Council takes an annual approach to strategic planning, business planning and budget setting, underpinned by a close link between business and financial planning. The Medium-Term Financial Strategy (MTFS) is reviewed annually and forms the basis of the annual budgeting process.</p>	<p>Medium Term Financial Strategy 2025-26-2028-29 (folkestone-hythe.gov.uk)</p> <p>Budget strategy Folkestone & Hythe District Council (folkestone-hythe.gov.uk)</p>
<p>Corporate Performance: Corporate Key Performance Indicators are monitored corporately and reported to the Corporate Leadership Team, Finance and Performance Sub Committee and Cabinet on a quarterly basis that support the Council’s corporate action plan.</p>	<p>Policies, plans and documents – Folkestone & Hythe District Council (folkestone-hythe.gov.uk)</p>

Principle: D - DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES

How the Council meets these principles	Where you can see Governance in action:
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Medium Term Financial Strategy: The Council has a Medium-Term Financial Strategy (available on the Council’s website as part of the budget for the forthcoming year) which is used to align resources to key priorities.

[Medium Term Financial Strategy 2025-26-2028-29 \(folkestone-hythe.gov.uk\)](#)

Council Decisions: All decision-making meetings are held in public and decisions made by Cabinet members and Officers are published in line with the statutory legal requirements, although some items are considered as exempt. Minutes of all Council meetings are made available to the public, and members of the public have the opportunity to contribute to Council meetings.

[Decision making at Council meetings | Folkestone & Hythe District Council \(folkestone-hythe.gov.uk\)](#)
[Decisions for call-in | Folkestone & Hythe District Council \(moderngov.co.uk\)](#)

[Browse forward plans | Folkestone & Hythe District Council \(moderngov.co.uk\)](#)

Compliments & Complaints Procedure: The Council has a complaints and feedback system, which records and monitors customer comments, complaints and requests for information.

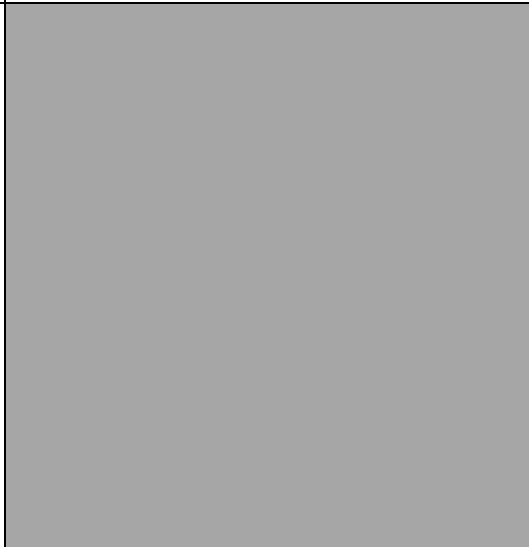
The Council’s Customer Feedback and complaints policy was reviewed during the 2024/25 to ensure it align with the latest best practice from the Local Government and Social Care Ombudsman. The policy was approved by Full Council at their meeting on 2nd April 2025 (Report ref: A/24/28)

[Council's complaints procedure](#)

Internal Audit: The internal audit function for the Council is performed by the East Kent Audit Partnership (EKAP), which provides internal audit services to the Councils of Canterbury, Dover, Folkestone and Thanet.

The East Kent Audit Partnership Internal Audit Team reports to the S151 Officer, the Interim Director – Governance and Finance. They operate under a Charter, which defines their relationship with officers, and the Audit and Governance Committee.

The internal audit function reports into the Audit and Governance Committee in the following ways by providing:



<ul style="list-style-type: none"> • A summary internal audit reports and the main issues arising, to provide assurance that action has been taken, where necessary. • Development of an internal audit strategy, plan and monitoring of audit performance. • Providing a Head of Internal Audit’s annual report and opinion on the Council’s corporate governance arrangements. 	
<p>Overview and Scrutiny Committee: The Overview & Scrutiny Committee has responsibility for the performance of overview and scrutiny functions under the Local Government Act 2000 Section 9F. The role of Overview & Scrutiny Committee is to hold Cabinet decision makers to account by monitoring and scrutinising the decisions being made, both before and after they take effect. Members of the Overview & Scrutiny Committee must not be members of the Cabinet and, where possible, should be from different political parties.</p> <p>The committee have an established forward work programme during the year that is approved on an annual basis for the new financial year. In early 2025, suggestions for Scrutiny topics were sought from various sources, with the criteria that only issues which affected residents across the whole district would be considered. suggestions are then circulated to Members of the committee, who were invited to score each item from 1-5 (5 highest, 1 lowest), based on each of the following criteria:</p> <ul style="list-style-type: none"> • High general public concern, • Critical to Council priorities and plans • High financial value, • Risks in successful deliver <p>The nine highest scoring items are then selected for the Scrutiny workplan. Nine items make up the main work programme, with an additional three in ‘reserve’ for the Committee.</p> <p>The work of the Overview and Scrutiny Committee is reported to Full Council on annual basis on the work that it has undertaken during each financial year.</p>	<p>Committee details - Overview and Scrutiny Committee Folkestone & Hythe District Council (modern.gov.co.uk)</p> <p>Overview and Scrutiny Work Programme 2025-26</p> <p>OSC Annual Report 2024-25</p>

Principle: E -DEVELOPING THE COUNCIL’S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT

How the Council meets these principles

Where you can see Governance in action:

Management Structure: The Council has established senior leadership team in place known as the Corporate Leadership Team (CLT) which is the main officer decision-making body and works with elected members, to provide strategic direction and run key Council services. CLT consists of the following positions:

- **Chief Executive**
- **Director of Strategy and Resources**
- **Director of Housing and Operations**
- **Interim Director of Governance and Finance (Fixed term until end of July 2025).**
- **Director of Finance (Section 151 Officer) - Appointed from 17th March 2025**

[Corporate Leadership Team](#)

[Organisation chart, covering staff in the top three levels of the organisation.](#)

A further 7 Chief Officers and 2 Heads of Service make up extended Senior management team that report into the following directors:

- **Director of Strategy and Resources:**
 - **Chief Officer – Planning & Building Control**
 - **Chief Officer – People & Customer Services**
 - **Head of Corporate Policy**
 - **Head of Legal Services**
- **Director of Housing and Operations:**
 - **Chief Officer – Housing**
 - **Chief Officer – Regulatory & Community Services**
 - **Chief Officer – Place & Growth**
 - **Chief Officer – Corporate Estates & Development**
- **Interim Director of Governance and Finance (S151 Officer)**
 - **Chief Officer – Financial Services (Vacant)**

Performance Management: The Council has a Performance Management Framework (PMF) in place to keep the Council on track and focused on delivery of its key priorities, by providing elected members, managers and staff with the information and tools they need to deliver high-quality and high-performing services which help to achieve good outcomes for residents. The framework will be reviewed in the 2025-26 year new to align with the new corporate plan.

[Performance Management Framework](#)

<p>All new employees to the Council undertake a corporate induction session that covers topics including: how the Council works, corporate priorities, core values and competencies.</p> <p>All staff are required to regularly undertake mandatory e-learning training on: Anti bribery & corruption, Whistleblowing, Cybercrime, Emergency Planning, Equality & Diversity, Safeguarding, Environmental Awareness, Fire Awareness, GDPR, Manual Handling and Office Health & Safety.</p> <p>In September 2023, the Council implemented a new Performance and Development Policy that is designed to support individual performance in line with the Council’s People Strategy and Behavioural Competency Framework. The policy ensures employees fully understand the Council’s key strategic objectives and their own Service objectives, what drives these objectives and the contribution each member of staff makes to achieving them. The policy also provides a mechanism for developing all staff at every stage of their careers and help them realise their full potential.</p> <p>Under the policy, all employees have:</p> <ul style="list-style-type: none"> • An annual Performance and Development Review meeting (held in January/February of each year) • At least 3 further formal 1 to 1 meetings with their line manager in order to monitor and review the Performance and Development Plan. 	
<p>Code of Conduct for Councillors: There is a code of conduct in place for all Councillors which can be found in Part 9.1 of the Constitution.</p> <p>The Audit and Governance Committee receive a quarterly report on complaints received under the Members code of Conduct from the Monitoring officer setting out the number and nature of complaints received, and action taken, as a result, in consultation with the Independent Person on the committee.</p> <p><i>The link sets out the latest update (Quarter 3 of 2024/25 year) at the time of publication for AGS.</i></p> <p>The Council also responded during the year to the Government’s consultation of Strengthening the Standards and Conduct Framework for Local Authorities and will review the Code of Conduct following any changes made to the framework.</p>	<p>Code of Conduct for Councillors</p> <p>Quarterly Code of Conduct Complaints Update Report</p>

<p>for review by the Overview & Scrutiny Committee. Decisions can also be made by Officers under delegated powers and reported to Councillors in line with the Council Constitution. Authority to make decisions is given in the Scheme of Delegation and by specific delegation by Cabinet or Council.</p>	
<p>Risk Management Policy: The Council’s Risk Management Policy is designed to adopt best practice in the identification, evaluation, and cost-effective control of risks. The policy is reviewed on annual basis and was reviewed by Cabinet on 26th March 2025 and then approved by Full Council on 2nd April 2025.</p> <p>The Audit and Governance Committee is responsible for considering the effectiveness of the authority’s risk management arrangements, and to seek assurance that action is being taken to mitigate those risks identified through the Council’s Corporate Risk Register.</p> <p>The Corporate Risk Register is presented to the Audit and Governance Committee quarterly. In addition, the committee reviews the Council’s Risk Policy and Strategy and Corporate Risk Register annually, ahead of these documents being presented to Cabinet and Council for adoption.</p>	<p>Risk Management Policy & Strategy</p>
<p>Procurement Framework: Procurement frameworks are in place for the purchase of goods and services and to ensure all contracts are appropriately procured and managed. Details on procurement are published on our website as well as data about the contracts that the Council has with external suppliers.</p>	<p>Procurement process Procurement and tendering information Folkestone & Hythe District Council (folkestone-hythe.gov.uk)</p>
<p>Corporate Governance Board:</p> <p>The Corporate Governance Board (CGB) is made up of Chief Officers and other heads of service who meet monthly to discuss emerging corporate risks and updates to risks already recorded on the Corporate Risk Register. The CGB Terms of Reference and meeting schedule is reviewed annually. The CGB main objectives are:</p> <ul style="list-style-type: none"> • To support and provide recommendations to CLT, and drive improvements to strategic planning, risk management, community, staff and stakeholder engagement and how we prioritise systems improvements, training and skills needs. • To improve the effectiveness of governance arrangements and compliance. 	

<ul style="list-style-type: none"> • To encourage improved decision making and use of resources, including financial management culture. • To act in an advisory manner, embedding a peer support and critical friend role/function. • Act as the Strategic Domestic Abuse Housing Alliance (DAHA) Board for the Council to ensure delivery of outcomes, receive quarterly updates on progress, identify risks, monitor budget and sign off on expenditure. 	

Principle: G - IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY REPORTING AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY	
How the Council meets these principles	Where you can see Governance in action:
<p>Data Protection: The Council complies with data protection legislation, which includes UK GDPR (UK General Data Protection Regulation) and the Data Protection Act 2018 (DPA 2018). This ensures that such processing is carried out fairly, lawfully, and transparently. The Council reviews and supplements its policies, and also keeps its processing activities under review, to ensure they remain consistent with the law, and any compliance advice and codes of practice issued from time to time by the Information Commissioner.</p>	<p>Data protection Folkestone & Hythe District Council (folkestone-hythe.gov.uk)</p>
<p>Transparency: The Council subscribes to the government’s transparency agenda and publish information such as remuneration for senior management and information on items of expenditure over £500. Information published includes:</p> <ul style="list-style-type: none"> • Senior Staff Salaries • Organisational Structure Chart • Payment to suppliers (over the value £250) • Purchase Orders (£5,000 and over) • Pay Multiples - The ratio between the earnings of the highest paid employee and the median earnings figure of our employees. • Grants to Voluntary, Community and Social Enterprise Organisations • Parking Accounts • Local Authority Land Assets 	<p>Council transparency – Folkestone & Hythe District Council (folkestone-hythe.gov.uk)</p> <p>Council Publication Scheme</p>

<ul style="list-style-type: none"> • Fraud - Information relating to the work we do countering fraud • Trade Union Facility Time 	
<p>Statement of Accounts: The Council publishes the Statement of Accounts annually within the statutory timescales. Accounting statements incorporate the full requirements of best practice guidance.</p> <p>For 2024-25 year, the council published its accounts in line with statutory guidance on 30th June 2025.</p>	<p>Statement of accounts Folkestone & Hythe District Council (folkestone-hythe.gov.uk)</p>
<p>Audit and Governance Committee: The Council has an Audit and Governance Committee to provide assurance to the Council on the effectiveness of internal audit and the robustness of the Council’s Annual Accounts. Risk management is controlled through the Corporate Governance Board and reported to the Corporate Leadership Team (CLT) through the quarterly reporting. Risks rated as above the risk threshold are reported as part of the quarterly performance report to Councillors at the Audit & Governance Committee.</p>	<p>Audit and Governance Committee Folkestone & Hythe District Council (moderngov.co.uk)</p>
<p>Full Council: Full Council is responsible for agreeing new policies and amendments to existing policies. It also sets out the policy and budget framework, and approves the annual budget.</p>	<p>Council Folkestone & Hythe District Council (moderngov.co.uk)</p>
<p>Internal Audit:</p> <p>The internal audit function for the Council is performed by the East Kent Audit Partnership (EKAP), which provides internal audit services to the Councils of Canterbury, Dover, Folkestone and Thanet. As a result of this collaborative approach the partnership is able to provide a mechanism for promulgating best practice to the East Kent authorities that use its services.</p> <p>The East Kent Audit Partnership Internal Audit Team reports to the S151 Officer, the Interim Director – Finance and Governance. They operate under a Charter, which defines their relationship with officers, and the Audit and Governance Committee. Through their audit assurance work, internal audit provides an opinion on the effectiveness of the systems of internal control. As part of the annual review of governance arrangements and in particular the system of internal control, the Council undertakes an annual review of the effectiveness of the system of internal audit.</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 Audit & Governance Committee in July 2025.</p>	

5. Risk Management

- 5.1 The Council's Risk Management Policy and Strategy (Approved by Full Council on 02 April 2025 (Report ref: A/24/27) is reviewed on annual basis to reflect any changes in the Council's management of risk. The policy identifies key principles and responsibilities, and the strategy sets out the approach that has been adopted for identifying, evaluating, managing, and recording risks to which the Council is exposed.
- 5.2 In preparing the Council's Corporate Risk Register a detailed review of the risks is undertaken by Directors and Chief Officers, with consideration given to the emergence of potential new risks alongside those previously identified as part of the business planning process. This is a dynamic process with progress made against any required action in relation to the risks being reported to the Council's Corporate Leadership Team on a regular basis for review and action.
- 5.3 The Audit and Governance Committee is responsible for considering the effectiveness of the authority's risk management arrangements, and to seek assurance that action is being taken to mitigate those risks identified. The Corporate Risk Register is presented to the Audit and Governance Committee quarterly. In addition, the committee reviews the Council's Risk Policy and Strategy and Corporate Risk Register annually, ahead of these documents being presented to Cabinet and Council for adoption.
- 5.4 The continuation of the work of the Corporate Governance Board (CGB) since its creation in February 2024 has provided an additional function for internal scrutiny and review of risks, before these are presented to Committee. CGB is made up of Chief Officers and other key officers who meet monthly to discuss corporate issues, including emerging risks and updates to risks already recorded on the Corporate Risk Register.

The CGB Term of Reference, work-plan and schedule of meetings are reviewed annually. CGB's main objectives are:

- To support and provide recommendations to CLT, and drive improvements to strategic planning, risk management, community, staff and stakeholder engagement and how we prioritise systems improvements, training and skills needs.
- To improve the effectiveness of governance arrangements and compliance.
- To encourage improved decision making and use of resources, including financial management culture.
- To act in an advisory manner, embedding a peer support and critical friend role/function.
- Act as the Strategic Domestic Abuse Housing Alliance (DAHA) Board for the Council to ensure delivery of outcomes, receive quarterly updates on progress, identify risks, monitor budget and sign off on expenditure.

5.5 The diagram on the following page provides an overview of the governance and reporting arrangements in place for the Corporate Governance Board to ensure robust corporate Governance, culture of compliance, strengthening Resilience/Business Continuity and risk management remains at the forefront of the Council’s operations:

Diagram 2: Reporting Arrangements for Corporate Governance Board



5.6 The Corporate risk register is intended to capture high-level risks reflected in the Council’s Corporate Plan and Medium-Term Financial Strategy. A review of the risk management process (conducted in 2024-25) has allowed risk management to be aligned with the objective-setting and priorities emerging from the Council’s new Corporate Plan, as well as the Medium-Term Financial Strategy (approved by Council on 26 February 2025).

6. Financial Management

6.1 Section 151 of the Local Government Act 1972 requires a Council to ensure that one of their officers has responsibility for the proper administration of its financial affairs. During 2024-25 this responsibility was held by the Interim Director Finance and Governance, Directors, Chief Officers and Service

Managers are responsible for the financial management of their service areas within the Council, which includes accurate forecasting and the effective monitoring of financial performance against budget considered throughout the year. A new Director of Finance commenced employment with the Council on 17th March 2025 with statutory powers for the Section 151 officer being formally assigned to the new Director of Finance by Full Council on 2nd April 2025 (ref: A/24/24).

- 6.2 The Council's financial management arrangements conform to the governance requirements of CIPFA's Statement on the Role of the Chief Financial Officer in Local Government as set out in '*Delivering Good Governance in Local Government*'.
- 6.3 The Medium-Term Financial Strategy (MTFS) is the Council's key financial planning document which puts the financial perspective on the Council's Corporate Plan priorities. The MTFS was updated and approved by Council in February 2025 and expresses the aims and objectives of various plans and strategies in financial terms over a four-year period ending 31st March 2029. The MTFS is a key element of sound corporate governance and financial management which is reviewed and agreed by Members on a regular basis.
- 6.4 In addition, the Cabinet endorsed the Treasury Management monitoring reports during the year. A Treasury Management monitoring report provides updates on the Council's treasury management activities that had taken place during the year against the agreed strategy and an update on the treasury management indicators. An annual report is also produced; Cabinet approved the annual report for 2023/24 on 25 September 2024 (report C/24/29). A report covering the 2024/25 financial year will be brought in the Autumn of 2025.
- 6.5 Full Council consider annually the Investment Strategy and Capital Strategy by 31 March for the financial year ahead. These strategies consider the Council's service and commercial investments and capital expenditure, financing & treasury management, as well as Prudential Indicators. Full Council adopted the relevant strategies for 2024/25 on 28 February 2024 (report references: A/23/24).
- 6.6 Regular budget monitoring took place in 2024/25 in order to manage the Council's net revenue budget. Regular meetings were held between officers and the Cabinet Portfolio Holders to discuss any specific budget issues and budget monitoring reports were presented to the Finance & Performance Sub Committee and Cabinet on a quarterly basis. It was appropriate to continue to have an additional focus on the Council's revenue budget monitoring during 2024/25 due to the continued cost of living impacts on residents as well as inflationary pressures on Council finances.

- 6.7 The level of reserve balances is reviewed annually in line with the budget setting process and is reported to Finance & Performance Sub Committee and Cabinet as part of the quarterly budget monitoring reports.
- 6.8 The adequacy of the reserve levels takes into account the Council's exposure to risk, the systems of internal control, the robustness of the estimates, adequacy of financial management arrangements, the Council's track record on budget monitoring, the strength of financial reporting, capacity to manage in year budget pressures and cash flow requirements to determine appropriate levels for the reserves.
- 6.9 The requirement for financial reserves is acknowledged in statute (Local Government Finance Act 1992). The level of working balances and reserves held by a Council is not prescribed. The minimum prudent level of reserves that the Council should maintain is a matter of judgment. The current approach of the Council reflects the guidance issued within LAAP Bulletin 99. This sets out that reserves should be held for three main purposes:
- a working balance to help cushion the impact of uneven cash flows and avoid the need for temporary borrowing;
 - a contingency to cushion the impact of unexpected events or emergencies;
 - earmarked reserves to meet known or predicted requirements.
- 6.10 The monitoring and control systems in place are robust and identify at an early stage any significant variations within the Council's activities. The level of reserves currently held has been endorsed and reported by the S151 Officer as adequate and in line with the Council's Reserves Policy.

7. Procurement and Contract Management:

- 7.1 Part 10 of the Council's Constitution sets out the rules our officers must follow when purchasing goods, services and/or works. The Procurement and Contracts Management Team continues to operate in accordance with Part 10 of the Council's Constitution.

Throughout the 2024/25 financial year, the Procurement and Contracts Management Team has reviewed the CSOs (and its activities) to ensure that they aligned with the new legislative requirements introduced by the Procurement Act 2023, Updates have been embedded to reflect key principles of the Act, including value for money, integrity, transparency, and delivering public good.

- Delivered the Procurement Act training to all FHDC staff, focusing on compliance with procurement legislation, ethical practices, contract management principles, and accountability..
- Regular training for procurement teams for continuous up skilling and implementation of best practices, and particularly focus on the Procurement Act 2023 and best practices.
- Regular collaboration meetings with service areas across the Council to ensure contracts are in place, reviewed, and managed effectively.
- Greater use of the Salesforce Platform to allow departments to upload contracts over £5,000, which will enable procurement to publish the contract on the Contract Register to enhance visibility and compliance.
- Improved notifications for keeping departments informed of when contracts are due to expire to be able to plan for the next procurement.
- Improved support and guidance for new procurements and ongoing support post procurement through meetings to help departments manage contracts and any extensions and variations.
- Regular reviews of procurement and contract management processes to identify improvements and ensure compliance with the Procurement Act 2023 and contract standing orders (CSOs).
- Local Business Support – working on tailoring procurement activities to favour local businesses, simplifying tender processes, and providing clear guidance.
- Social Values and CO2 Requirements - In line with the Procurement Act 2023, the Council continues to embed social value and sustainability into procurement processes. Tenders now include clear criteria for social impact and CO2 reduction, supporting objectives around public good, Net Zero, and local economic growth.

8. Internal and External Audit

Internal Audit:

- 8.1 The internal audit function for the Council is performed by the East Kent Audit Partnership (EKAP), which provides internal audit services to the Councils of Canterbury, Dover, Folkestone and Thanet. As a result of this collaborative approach the partnership is able to provide a mechanism for promulgating best practice to the East Kent authorities that use its services. The East Kent Audit Partnership Internal Audit Team reports to the S151 Officer, the Interim Director – Finance and Governance. They operate under a Charter, which defines their relationship with officers, and the Audit and Governance Committee. Through their audit assurance work, internal audit provides an opinion on the effectiveness of the systems of internal control. As part of the annual review of governance arrangements and in particular the system of internal control, the Council undertakes an annual review of the effectiveness of the system of internal audit.

8.2 Internal Audit has responsibility to:

- Report on the level of assurance in respect of the Council’s internal control systems; and
- Provide an overall independent annual Opinion from the Head of the Audit Partnership highlighting areas of concern. This is compiled from the Internal Audit work programme and a review of the Council’s risk management and Corporate Governance arrangements.

8.3 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 Audit & Governance Committee in July 2025:

- The internal auditors are independent to the management of the Council and have direct access to the Chair of the Audit and Governance if required. They provide a regular update to the Committee at each of the quarterly meetings and may attend any special meetings that may be convened during the year.
- As at 31 March 2025 the Internal Auditors completed 347.89 days of review equating to 99.40% of planned completion.
- The EKAP undertakes a regular schedule of follow up audits to ensure that management have implemented the action plans arising from each audit. Members can see full details within the Internal Audit Annual Report 2024-25.
- In March 2024 an External Quality Assessment (EQA) considered the level of compliance demonstrated by the EKAP with the Public Sector Internal Audit Standards (PSIAS). The results of this assessment showed that internal audit is at the highest level of compliance; assessed as “Generally Conforms” the full EQA report was reported to the July 2024 Audit & Governance Committee. In preparation for new Global Internal Audit Standards which come into effect from 1st April 2025, the EKAP was also provided with an action plan. The next EQA of the EKAP is due in 5 years, by which time the new internal audit standards will have become fully established.
- As part of EKAP’s quality monitoring arrangements Members should be aware that following the completion of each audit, a satisfaction questionnaire is completed by the managers of the service that has been audited enabling the officers involved to comment on the conduct and outcome of the audit. This information is used, in part, to inform the self-assessment and continuous improvement.

External Audit:

- 8.4 The external audit work of the Council is undertaken by Grant Thornton UK LLP. The main duties are governed by section 15 of the Local Government Finance Act 1982, and the Local Audit and Accountability Act 2015 section 4.
- 8.5 Each year the Council receives a report from its external auditor on the quality of its financial and management administrative arrangements. This is considered both by Cabinet and the Audit and Governance Committee.
- 8.6 The Council has concluded its 2022/23 and 2023/24 accounts and final audit process. This culminated in the final external audit opinion being presented to the Council's Audit and Governance Committee at their meeting in December 2024; the Council received an unqualified audit opinion for 2022/23. Due to the delay in completion of the 2022/23 accounts, the 2023/24 accounts followed shortly thereafter in February 2025, with the Council again receiving an unqualified audit opinion. The completion of these two external audits before the statutory backstop deadlines set by Central Government ensured that the Council is fully up to date on its statutory accounts.
- 8.7 The Council is associated with a number of outside bodies including – Otterpool Park LLP, Oportunitas Ltd and the East Kent Spatial Development Company that are subject to independent audits alongside having their internal audit approach shared with the Council.

9. Counter Fraud Arrangements

- 9.1 The Council is firmly opposed to any form of fraud and corruption and will take prompt and decisive action to deal equally with perpetrators from inside and outside the Council. To ensure the highest standards of conduct are upheld, the Council has an established Anti-Fraud and Anti-Corruption Framework in place that is designed to:
- encourage fraud deterrence and prevention;
 - raise awareness of fraud and corruption and promote their detection;
 - perform investigations and facilitate recovery in a prompt, thorough and professional manner; and
 - invoke disciplinary proceedings and further action as appropriate.

The Anti-Fraud & Anti-Corruption Framework is formed of five documents, including the Anti-Fraud & Anti-Corruption Strategy, the Fraud Response Plan, the Whistle Blowing Protocol, the Anti-Money Laundering Policy and the Anti Bribery

Policy. This framework was reviewed and updated by the S151 Officer and Monitoring Officer in 2023/24. Furthermore, there was comprehensive training on Anti-Fraud and Corruption provided to all staff on 11 January 2024. In light of additional legal provisions coming into effect on 1 September 2025, namely the ‘failure to prevent fraud’ under the Economic Crime and Corporate Transparency Act 2023, a further review of the training and guidance is to take place in 2025/26, with training being rolled out to all staff in summer 2025.

- 9.2 The responsibility for the prevention of fraud and corruption lies with management who ensure that adequate controls, including policies and procedures, are in place to prevent and detect fraud and corruption. The Council has developed systems and procedures that incorporate effective and efficient internal controls, and management ensure that controls minimise risk to an appropriate level. Controls are regularly reviewed to ensure they remain appropriate and effective. The internal and external auditors independently monitor the existence, effectiveness and appropriateness of these controls.
- 9.3 The Chief Finance Officer (Section 151 Officer) is responsible for the proper administration of the authority’s financial affairs. Under Section 114 of the Local Government Finance Act 1988, the Chief Finance Officer is required to report to the full Council, Cabinet and the external auditor if the Council or one of its officers:
- has made, or about to make, a decision which involves incurring unlawful expenditure;
 - has taken, or about to take, an unlawful action which has resulted or would result in a loss or deficiency to the authority; and
 - is about to make an unlawful entry in the authority’s accounts.
- 9.4 The Director for Strategy and Resources is the ‘Monitoring Officer’ for the Council. Under 5(2) of the Local Government and Housing Act 1989, the Monitoring Officer is required to report to Cabinet and Council where it appears to him/her that the Cabinet or Council and/or officers appointed by them:
- has made or is about to make a decision which contravenes any enactment, or rule of law; and
 - has made or is about to make a decision that would give rise to maladministration or injustice as referred to in Part III of the Local Government Act 1974.
- 9.5 An annual Investigations and Fraud Overview for 2023/24 was brought to Cabinet on 25 September 2024 (report: C/24/23). This report gave an overview of the work of the Folkestone & Hythe District Council (FHDC) Investigations unit for the year 2023/24, covering Housing Benefit, Council Tax, Non-Domestic Rates and Housing.

10. CYBER SECURITY

- 10.1 The Council has in place robust measures to strengthen internal levels of protection which include an advanced anti-virus protection using MS Defender which includes advanced detection and attack surface reduction features. There are multiple layers of automated email filtering along with a human manual intervention when required. If there is still ambiguity with the authenticity of an email we are able to submit this to Microsoft for their specialist analysis. Web filtering is provided by a next generation application filtering firewall. Data from this firewall is sent in real time to a SIEM solution (Microsoft Sentinel) which then analysis all activity against a threat database.
- 10.2 In terms of other defences against cyber threats, the Council receives a good level of protection from the Kent Public Services Network (KPSN). The KPSN provide the network and varying degrees of security solutions such as email filtering to a number of partners including Local Government, Kent Police, Fire and Rescue and NHS. This service is backed up by a major ICT supplier, currently Capita.
- 10.3 The Council is currently in contract with “CSA limited” who provide a Security Operations Centre (SOC) 24 hours day x 7 days x 365 days per year. The SOC provide an effective cyber security defence with robust monitoring and detection services in place, constantly looking out for security threats in network traffic. Monitoring and detection is a proactive and advanced approach to cyber security that not only detects suspicious activity, but actively hunts down threats, monitors cyber security 24/7, assists in rapid breach incident analysis and responds to eliminate threats from the system before they become an issue.
- 10.4 There are two forms of immutable storage which ensures robust protection against unauthorised changes, accidental deletions, and cyber threats such as ransomware attacks. This dual approach not only bolsters cybersecurity by preventing data tampering but also ensures compliance with regulatory requirements by maintaining unaltered records and provides a reliable method for disaster recovery.

11. Council Governance Structure

- 11.1 The current political administration elected in May 2023 agreed to change the Council’s governance structure from a leader and cabinet decision process to a committee system. The change of governance planned for May 2024 was deferred at the January 2024 Full Council meeting for implementation in May 2025 to allow Councillors more time to be familiar with, and understand the changes involved in the move to a committee system of governance.

- 11.2 In 2024/25, members of the Constitution Working Group comprised of all political group leaders on the Council continued to meet with legal experts Bevan Britten and Council officers to develop and agree the steps to be taken prior to the change to a committee system planned for May 2025.
- 11.3 On 16 December 2024, the Government published a White Paper setting out proposals for devolution and local government reorganisation. On 10 January 2025 Kent County Council and Medway Council responded to MHCLG’s correspondence indicating their desire to be identified as a priority devolution area.
- 11.4 In light of the Government's White Paper, a motion was passed at the January 2025 meeting of Full Council for the Council to write to the Secretary of State for Housing, Communities and Local Government to request retaining the Council’s existing leader and cabinet structure of governance. A response to the Council’s letter to the Secretary of State was received on 2 April 2025 from Jim McMahon MP, Minister of State for Local Government and English Devolution, consenting to the Council retaining its leader and cabinet model noting that in the context of impending local government reorganisation, the current governance model will provide continuity in decision-making arrangements throughout the period leading to transition to a unitary authority.
- 11.5 A further vote took place at a Full Council meeting on 7th May 2025 to ratify the January 2025 Council decision.

12. REVIEW OF EFFECTIVENESS

- 12.1 The 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 following areas:

Area	Review of effectiveness
Political leadership	<ul style="list-style-type: none"> • During the year the Overview & Scrutiny Committee considered numerous items, including: Levelling Up Fund Delivery, Otterpool Park: Strategic Direction, Funding and Delivery (subsidiary), Draft District-Wide Carbon Plan, Housing Revenue Account (HRA) Business Plan 2023-2053, Budget Update 2024/25, Community Infrastructure Levy (CIL) and Refresh of the Council’s Children, Young People and Vulnerable Adults Safeguarding Policy. <p>The Finance and Performance Subcommittee considered the following items during the year including:</p> <ul style="list-style-type: none"> • 2023-24 Annual Performance Report and draft KPIs 2024-25,

	<ul style="list-style-type: none"> • Quarterly Corporate Performance Reports 2024-25 • General Fund, Housing Revenue and Capital provisional outturns 2023/24 • Quarterly Budget Monitoring reports 2024-25 • Budget Strategy 2025-26 and Fees and Charges 2025/26 <p>The Audit and Governance Committee considered the following items during the year including:</p> <ul style="list-style-type: none"> • Statement of Accounts 2022/23 - Audit Findings • 2023/24 Statement of Accounts / External Audit Plan • Regular detailed updates from the East Kent Audit Partnership (EKAP), the Council’s internal auditors • Quarterly code of conduct complaints reports • Annual Governance Statement • Corporate Risk Register update • Internal Audit Annual Report 2023-24 • Health and Safety Annual Report • Health and Safety half-year updated 2024-25 • Procurement - Council Contracts Variation Update • Extension of term of office of Independent Member of the Audit and Governance Committee • Risk Management Policy and Strategy 2025-26
Officer leadership	<ul style="list-style-type: none"> • New organisational structures were consulted and approved during the year ahead of the start of 2024/25 year as part of a Council wide transformation programme to improve resilience, accountability, spans of control and use of ICT in how the Council delivers its services for residents. • Quarterly updates on the Council’s performance against Corporate Key Performance Indicators (CKPIs) provided to the Finance & Performance Sub Committee and Cabinet. • Quarterly updates of the Council’s corporate risk register to the Audit and Governance Committee. • An annual self-assessment and management assurance statement signed by Directors and senior managers, confirming that the Code of Conduct, Financial Regulations and other corporate governance processes have operated as intended within their directorates throughout the year.
Internal assessment and monitoring	<p>There are regular reporting arrangements in place regarding the financial affairs of the Council with financial performance being</p>

	<p>reported on a quarterly basis to Members of the Finance & Performance Sub Committee, Cabinet and Full Council.</p> <p>Updates to the Council’s corporate risk register are reported quarterly to members of the Audit and Governance Committee.</p> <p>Quarterly Performance against Corporate Key Performance Indicators (CKPIs) that linked to the Council’s corporate plan are reported to members of the Finance & Performance Sub Committee and Cabinet.</p>
<p>Chief Finance Officer (s151)</p>	<p>The Chief Finance Officer (S151) is the Responsible Financial Officer and is a member of the corporate Leadership Team (CLT). They are responsible for delivering and overseeing the financial management arrangements of the Council.</p> <p>The main channels used by the s151, to ensure and assure effectiveness over 2024/25 were:</p> <ul style="list-style-type: none"> • Continuation of budget Star Chambers and ongoing development of a more informative and timely monitoring process including more regular reporting to the Corporate Leadership Team • Procurement of a new finance system for implementation during 2026/27 • Full comprehensive and review of the MTFP for 2025-26 ensure more robust assumptions are in place • Establishment of the Corporate Governance Board • Annual Internal Audit Programme • Regular meetings with Internal and External Audit
<p>Director of Strategy and Resources (Monitoring Officer)</p>	<p>The Director of Strategy and Resources currently holds the position of Monitoring Officer and is member of the Council’s Corporate Leadership Team (CLT) whose role in the organisation is to report on matters they believe to be illegal or amount to maladministration, to be responsible for matters relating to the conduct of Councillors and officers and to be responsible for the operation of the Council’s constitution.</p> <p>The main channels used by the Monitoring Officer, to ensure and assure effectiveness over 2024/25 were:</p> <ul style="list-style-type: none"> • Work on the Change of Governance project and work closely with the working group members and all Members as part of the process/decision making for the proposed change of governance.

	<ul style="list-style-type: none"> • Review the effectiveness of decision making within the Council and help provide advice to Members and Councillors on decision making process and governance • Ensure that the Overview and Scrutiny function is performing well and in accordance with the provisions in the constitution • Keep under continuous review the Constitution so that it meets the requirements of the Council and Council decision making
<p>Senior Information Risk Owner (SIRO)</p>	<p>The Senior Information Risk Officer for the Authority is the Director of Strategy and Resources. This role is supported by deputies, nominated from time to time. The role of the SIRO includes the following:</p> <ul style="list-style-type: none"> • Lead and foster a culture that values and protects information, and ensures its use for public good. • Ensure there is a plan to achieve and monitor the right culture across the organisation. Takes step to ensure that plan is delivered. • Ensures that the organisation has key staff in place, who are skilled and supported. • Oversees effective responses to security incidents. • Own the information risk policy and risk assessment process, ensuring regular update and review of the risk register. <p>The main channels used by the SIRO, to ensure and assure effectiveness over 2024-25, were:</p> <ul style="list-style-type: none"> • Completion of relevant, mandatory training by all staff • Close working with key roles such as the Data Protection Officer, Information Governance Team, and IT manager to strengthen the work in this area • Engaging the Corporate Governance Board to ensure that corporate and individual responsibilities are clearly understood and cascaded to all staff. • Ensuring annual returns are completed (e.g. RIPA) • Deploying additional resources to bolster the Information Governance Team and drive improvements in performance.
<p>Internal audit</p>	<ul style="list-style-type: none"> • The internal audit function for the Council is performed by the East Kent Audit Partnership (EKAP), which provides internal audit services to the Councils of Canterbury, Dover, Folkestone and Thanet. • The East Kent Audit Partnership Internal Audit Team reports to the S151 Officer, the Interim Director – Finance and Governance. They operate under a Charter, which defines their relationship with officers, and the Audit and Governance Committee.

	<ul style="list-style-type: none"> • 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 Audit & Governance Committee in July 2025: <ul style="list-style-type: none"> ○ The internal auditors are independent to the management of the Council and have direct access to the Chair of the Audit and Governance if required. They provide a regular update to the Committee at each of the quarterly meetings and may attend any special meetings that may be convened during the year. ○ As at 31 March 2025 the Internal Auditors completed 347.89 days of review equating to 99.40% of planned completion. ○ The EKAP undertakes a regular schedule of follow up audits to ensure that management have implemented the action plans arising from each audit. Members can see full details within the Internal Audit Annual Report 2024-25. • In March 2024 an External Quality Assessment (EQA) considered the level of compliance demonstrated by the EKAP with the Public Sector Internal Audit Standards (PSIAS). The results of this assessment showed that internal audit is at the highest level of compliance; assessed as “Generally Conforms” the full EQA report was reported to the July 2024 Audit & Governance Committee. In preparation for new Global Internal Audit Standards which come into effect from 1st April 2025, the EKAP was also provided with an action plan. The next EQA of the EKAP is due in 5 years, by which time the new internal audit standards will have become fully established.
External audit	<ul style="list-style-type: none"> • The external audit work of the Council is undertaken by Grant Thornton UK LLP. The main duties are governed by section 15 of the Local Government Finance Act 1982, and the Local Audit and Accountability Act 2015 section 4. • Each year the Council receives a report from its external auditor on the quality of its financial and management administrative arrangements. This is considered both by Cabinet and the Audit and Governance Committee.
Group arrangements	<p>Cabinet is charged with monitoring performance of the subsidiaries to the Council. These include Otterpool Park LLP and Oportunitas Limited. In addition, the Council has approx. 16% shareholder interest in East Kent Spatial Development Company (EKSDC), with the joint-owners being other East Kent authorities, KCC and the University of Kent. Council Members are variously board members/directors for the subsidiaries. During the year,</p>

	<p>Cabinet considered the following items so as to apprise itself of the performance and delivery of the Council’s subsidiary entities:</p> <ul style="list-style-type: none"> • Otterpool Park: Strategic Direction, Funding and Delivery • Otterpool Park: Local Partnership’s review of governance • Oportunitas Ltd Quarterly performance reports from the Board of Oportunitas. • Updates to the Oportunitas Ltd business plan. • Annual EKSDC report to Cabinet. <p>In additional the Shareholders of OP have regular formal meetings with the agenda and minutes available on the Council’s website, and the Council’s shared internal audit function (East Kent Audit Partnership (EKAP)) review relevant matters and governance at subsidiaries as needed on a rolling basis.</p>
Outside Bodies	<p>The Council undertook a review of it’s Outside Bodies in 2024/25, carried out by the Constitution Working Group, leading to a number of recommendations to improve and streamline the existing process. The review recommended and implemented a clear criteria to determine those Outside Bodies to be retained, formally removed, and to use the criteria to determine any new OB requests, including a clear remit, function of the OB and role of the member, link to the Corporate Plan and adequate capacity. The review streamlined the existing number of Outside Bodies and also made recommendations to formalise feedback, support, insurance/indemnity, and training.</p> <p>In depth training was subsequently delivered to members by Governance Training and Consultancy Ltd covering members roles, responsibilities, types of outside bodies, risks and opportunities, protection, effectiveness and lawfulness. The Council was commended on the review it had undertaken, which is to be cited as best practice, and the effectiveness of streamlining the process.</p>

13. CONCLUSION

- 13.1 In line with the Council’s responsibilities for its internal control and overall governance environment (paragraph 1.1), the conclusion to the annual review process for the year ended 31 March 2025 and up to the date of approval of the Statement of Accounts is that the arrangements in place are considered to be fit for purpose and in accordance with the Council’s governance framework, with no significant areas of the framework requiring attention.
- 13.2 Set out in Appendix 1 is the current action plan outlining the steps the Council proposes to take over the coming year to further enhance our governance arrangements. This action plan will be kept under review through the year and updated as appropriate.

13.3 The findings of the annual review of the governance framework will be reported to Members of the Audit and Governance Committee on 31st July 2025.

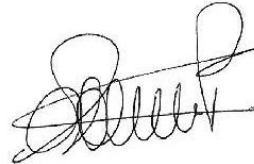
Signed:

Handwritten signature of Tim Prater in black ink.

Cllr Tim Prater
Deputy Leader of the Council and
Cabinet Member for Finance and
Governance

Date: 22nd July 2025

Signed:

Handwritten signature of Dr Susan Priest in black ink.

Dr Susan Priest
Chief Executive

APPENDIX 1: Action plan for improvement following review of effectiveness of governance arrangements (2025-26)

	Action	Who	Date
1	<p>Annual Review of Corporate Governance:</p> <p>At the end of the year, the Council will produce its statement on governance, which includes end of year assurance statements by Directors, Chief Officers and internal audit's opinion report.</p>	Monitoring Officer	May 2026
2	<p>Governance Arrangements:</p> <p>To keep under review the Council's governance arrangements alongside the broader governance changes emerging from the Local Government Reorganisation (LGR) and Devolution process with both Cllrs and Officers.</p>	Monitoring Officer	March 2026
3	<p>Data Retention Policy and General Data Protection Regulation:</p> <p>To keep under review, the Data retention policy and the General Data Protection Regulation requirements, ensuring Officers and Members of the Council are aware of their responsibilities. Complete all agreed actions arising from the GDPR audit.</p>	Senior Information and Risk Officer (SIRO)	March 2026 (and Ongoing)
4	<p>Review of the Council's Performance Management Framework (PMF):</p> <p>Review of the framework to ensure it aligns to revised performance management processes and the priorities of the new corporate plan once adopted by members.</p>	Senior Performance Officer Governance, Performance and Risk Manager	September 2025
5	<p>Develop Corporate Policy function:</p> <p>Review the Council's compliance with the Corporate Policy framework as outlined in the constitution part 4.1 (1.1)</p>	Head of Corporate Policy	March 2026

6	<p>Mandatory staff training:</p> <p>Maintain mandatory staff training programme to ensure understanding of corporate expectations and compliance, roll out to new employees.</p>	Chief HR Officer	March 2026 (and ongoing)