

Appendix 1



Folkestone & Hythe District Council Annual Governance Statement 2023/24



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 good systems in place to manage and deliver 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 2023-24 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 and 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 2024, 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 are set out in job descriptions. A variety of related employment policies and guidance notes are available to staff via the internal intranet. 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.</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. Any declarations of interest made during meetings are recorded in the minutes.</p>	<p>Declarations of Interest</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</p>	<p>Corporate Leadership Team</p>

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 (\$151 Officer)**

A further 8 Chief Officers 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**
 - **Assistant Director – Governance, Law & Democracy**
- **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 (\$151 Officer)**
 - **Chief Officer – Financial Services**

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 holds the role of Chief Finance Offer, 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.

Monitoring Officer: The Assistant Director for Governance & Law holds the role of Monitoring Officer and is responsible for:

- Maintaining and interpreting the Councils constitution, ensuring lawfulness and fairness of decision-making.

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

<ul style="list-style-type: none"> • Providing advice to all councillors, 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. 	
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Principle: B - ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

How the Council meets these principles	Where you can see Governance in action:
<p>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 for the next nine years.</p> <p>The vision for Folkestone & Hythe is ‘Creating Tomorrow Together’.</p> <p>To help achieve the vision for the district, the Council’s current corporate plan has four service ambitions and six guiding principles set out as follows:</p> <p>Four service ambitions:</p> <ul style="list-style-type: none"> • Positive Community Leadership • A Thriving Environment • A Vibrant Economy • Quality Homes and Infrastructure <p>Six guiding principles:</p> <ul style="list-style-type: none"> • Sustainable Recovery; • Locally Distinctive; • Greener Folkestone & Hythe; • Transparent, Stable, Accountable & Accessible; • Working Effectively with Partners; and • Continuous Improvement. <p>Following the local elections in May 2023, which brought about change in the council’s political control, the new administration led by both the Green Party and the Liberal</p>	<p>Corporate Plan 2021-30</p>

<p>Democrats have requested the current corporate plan be reviewed to reflect the priorities of the current administration. Preparatory discussions on forming the process of review began in the 2023-24 year with new corporate plan member and officer working group to be established in May 2024, which has political representation from all parties to help develop new corporate priorities. Working on shaping new the plan will be continuing throughout 2024 with adoption of a new plan anticipated in early 2025.</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. • 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>Freedom of Information</p> <p>Council Transparency</p>
<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 Twitter feed which is actively promoted and used. To promote transparency and wider engagement with Council decisions, residents can use social media such as Facebook, Twitter, 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:
<p>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 for the next nine years.</p> <p>The vision for Folkestone & Hythe is ‘Creating Tomorrow Together’.</p> <p>To help achieve the vision for the district, the Council’s current corporate plan has four service ambitions and six guiding principles set out as follows:</p> <p>Four service ambitions:</p> <ul style="list-style-type: none"> ● Positive Community Leadership ● A Thriving Environment ● A Vibrant Economy ● Quality Homes and Infrastructure 	<p>Corporate Plan 2021-30</p>

<p>Six guiding principles:</p> <ul style="list-style-type: none"> • Sustainable Recovery; • Locally Distinctive; • Greener Folkestone & Hythe; • Transparent, Stable, Accountable & Accessible; • Working Effectively with Partners; and • Continuous Improvement. 	
<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>The current strategy run until 2023 is due to be renewed in 2024/25.</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 2022-23 to 2025-26 (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

<p>How the Council meets these principles</p>	<p>Where you can see Governance in action:</p>
<p>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.</p>	<p>Medium Term Financial Strategy 2022-23 to 2025-26 (folkestone-hythe.gov.uk)</p>

<p>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.</p>	<p>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)</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>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.</p> <p>The East Kent Audit Partnership Internal Audit Team reports to the S151 Officer, the Director – Corporate Services. They operate under a Charter, which defines their relationship with officers, and the Audit and Governance Committee.</p> <p>The internal audit function reports into the Audit and Governance Committee in the following ways by providing:</p> <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>Committee details - Overview and Scrutiny Committee Folkestone & Hythe District Council (moderngov.co.uk)</p>

<p>The committee have an established forward workplan during the year that is approved on an annual basis for the new financial year. In early 2024, 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 workplan, 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>Overview and Scrutiny Work Programme 2024-25</p> <p>OSC Annual Report 2023-24</p>
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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:
<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 direction and run key council services. CLT consists of the following positions:</p> <ul style="list-style-type: none"> • Chief Executive • Director of Strategy and Resources • Director of Housing and Operations • Interim Director of Governance and Finance (S151 Officer) <p>A further 8 Chief Officers make up extended Senior management team that report into the following directors:</p> <ul style="list-style-type: none"> • Director of Strategy and Resources: <ul style="list-style-type: none"> ○ Chief Officer – Planning & Building Control 	<p>Corporate Leadership Team</p> <p>Organisation chart, covering staff in the top three levels of the organisation.</p>

<ul style="list-style-type: none"> ○ Chief Officer – People & Customer Services ○ Assistant Director – Governance, Law & Democracy ● Director of Housing and Operations: <ul style="list-style-type: none"> ○ 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) <ul style="list-style-type: none"> ○ Chief Officer – Financial Services 	
<p>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 2024/25 year in line with the development of the new corporate plan.</p> <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) 	<p>Performance Management Framework</p>

<ul style="list-style-type: none"> 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>Following the District Council elections in May 2023, all Councillors were required to undertake a comprehensive training programme which ensures that they have an understanding of the procedures and protocols of the Council. This includes training on planning and licensing matters and Councillors are not allowed to sit on the Planning or Licensing Committees until such training has been undertaken.</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 2023/24 year) at the time of publication for AGS.</i></p>	<p>Code of Conduct for Councillors</p> <p>Quarterly Code of Conduct Complaints Update Report</p>
<p>Personnel Committee: The committee deals with all matters relating to staff employed by the Council, including determining their terms and conditions of employment or on which they hold office.</p> <p>On an annual basis the committee receives the following reports:</p> <ul style="list-style-type: none"> HR Annual Report: This report is presented to the Personnel Committee in order for members to be satisfied that the HR team is appropriately supporting the council. Head of Paid Service Report: The report is from the Chief Executive in relation to the adequacy of resources across the Council. 	<p>Personnel Committee</p> <p>HR Annual Review Report</p> <p>Head of Paid Service Report</p>

Principle: F - MANAGING THE RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT

How the Council meets these principles	Where you can see Governance in action:
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Council Structure: The Council ensures that the roles and responsibilities for decision making and governance arrangements are defined and allocated, so that there is clear accountability for decisions made and actions taken. The Council does this by appointing a Leader and a Cabinet, which allocates specific executive responsibilities.

[Democracy – Folkestone & Hythe District Council \(folkestone-hythe.gov.uk\)](https://www.folkestone-hythe.gov.uk)

Committee Structure: A number of committees appointed to discharge regulatory and scrutiny functions. Each committee has clear terms of reference setting out its roles and responsibilities. All leadership roles, the roles of key Officers and the Council’s Scheme of Delegation are set out within the Council Constitution.

[Browse Meetings | Folkestone & Hythe District Council \(moderngov.co.uk\)](https://www.moderngov.co.uk)

Forward Plan: The Cabinet operates within the policy framework set by Full Council and makes key decisions. All Cabinet meetings are held in public, with the exception of exempt items. All decision records are publicly available, and the Forward Plan and Key Decision notice is published on the Council website. Decisions made by Cabinet can be called in 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.

[Browse plans - Cabinet, 2024 | Folkestone & Hythe District Council \(moderngov.co.uk\)](https://www.moderngov.co.uk)

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 was updated at Cabinet in March 2023 and will undergo annual review in 2024.

[Risk Management \(moderngov.co.uk\)](https://www.moderngov.co.uk)

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.

[Procurement process | Procurement and tendering information | Folkestone & Hythe District Council \(folkestone-hythe.gov.uk\)](https://www.folkestone-hythe.gov.uk)

Corporate Governance Board:
The establishment of the Corporate Governance Board (CGB) that held its inaugural meeting in February 2024. The CGB is

<p>made up of Chief Officers & Assistant Directors who will meet monthly to discuss emerging corporate risks and updates to risks already recorded on the Corporate Risk Register. The CGB Term 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. • 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. 	

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) 	<p>Council transparency – Folkestone & Hythe District Council (folkestone-hythe.gov.uk)</p>

<ul style="list-style-type: none"> • 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 • 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>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 (modern.gov.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 (modern.gov.co.uk)</p>
<p>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. 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 Director – Corporate Services. 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</p>	

undertakes an annual review of the effectiveness of the system of internal audit.

The overall opinion of the System of Internal Controls in operation throughout 2023-24 based on the work of the East Kent Audit Partnership is presented in their annual report to the Audit & Governance Committee in July 2024.

5. Risk Management

- 5.1 The Council's Risk Management Strategy (Approved by Cabinet 22nd March 2023 (Report ref: C/22/99) is reviewed on annual basis to reflect any changes in the Council's assessment of risk management matters. 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 regularly to the Audit and Governance Committee. 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 for adoption.
- 5.4 The establishment of the Corporate Governance Board (CGB) in February 2024 has provided an additional function for internal scrutiny and review of risks, before these are presented to Committee. The CGB is made up of Chief Officers & Assistant Directors who meet on a monthly basis to discuss emerging corporate risks and updates to risks already recorded on the Corporate Risk Register. The CGB Term of Reference and meetings are scheduled to be reviewed annually. The CGB 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.

5.5 The diagram on the following page provides an overview of the latest 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 (planned for 2024-25) will allow risk management to be aligned with the objectives and priorities emerging from the Corporate Plan review, as well as the new Medium-Term Financial Strategy (approved by Council on 28 February 2024).

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 2023/24 this responsibility was held by the Interim Director Governance and Finance Services, 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.
- 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 November 2022 and expresses the aims and objectives of various plans and strategies in financial terms over a four-year period ending 31st March 2027. 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 report at its 18th October 2023 meeting. 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.
- 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 2023/24 on 22 February 2023 (report references: A/22/29 A/22/28 & C/22/91).
- 6.6 Regular budget monitoring took place in 2023/24 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 2023/24 due to the unprecedented economy and cost of living impacts 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 have undertaken a number of activities in the 2023-24 year to improve governance and internal controls including:
- An annual training session for all FHDC staff in procurement and contract management was delivered during the year. These training sessions focused on compliance, ethical procurement practices, and effective contract management. To enhance staff knowledge and foster a culture of accountability and excellence.
 - Regular training for procurement teams for continuous up skilling and implementation of best practices, and particularly focus of recent is around the Procurement Act 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 contract on 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 regulations 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 - Incorporating social value contributions and CO2 reduction requirements into tenders to promote sustainability and social responsibility.

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 Director – Corporate Services. 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 2023-24 based on the work of the East Kent Audit Partnership is presented in their annual report to the Audit & Governance Committee in July 2024:

- 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 2024 the Internal Auditors completed 329.45 days of review equating to 94.13% 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 2023-24.
- 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 from 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 standards will have become fully established and any new requirements better understood.
- 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 is in the final stages of concluding its 2022/23 accounts and final audit process. This will culminate in the final external audit opinion being presented to the Council’s Audit and Governance Committee at their meeting in

September 2024. It is expected that the Council will receive an unqualified audit opinion for 2022/23.

- 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 has now been reviewed and updated by the S151 Officer and Monitoring Officer in 2023/24. Furthermore, the comprehensive training on Anti-Fraud and Corruption was provided to all staff on 11 January 2024.

- 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 Assistant Director for Governance & Law 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.

10. CYBERSECURITY

- 10.1 The council has in place a number of 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. This contract comes to an end in September 2024.

- 10.4 There was a potential cyberattack in Quarter 4 2023/24 across Kent local authorities which was managed extremely well by Capita and the internal ICT team, and as a result of the protection we had in place ensured the disruption to council services was minimal.

11. HOUSING SERVICE

- 11.1 The Housing Landlord Service commenced preparations to meet the revised consumer regulations that the Regulator of Social Housing will be monitoring from April 2024. In 2023/24 the Housing Service continued to monitor an extensive set of KPIs, reported monthly to the Housing Leadership Team. Data is scrutinised quarterly by the Corporate Leadership Team (CLT) and the Strategic Tenants Advisory Panel (STAP), and published on the Council's website, so that we report back to our council tenants on performance of the housing service.
- 11.2 The Housing Service has embedded an internal governance process focused on continuous service improvement. As part of this, and following a recommendation from internal audits in 2022/23, we provided detailed training on Financial Procedure Rules and Contract Standing Orders to all staff working in the Asset Management section and other departments where staff are responsible for procuring and supervising contracts. We have also introduced an internal monitoring system for all contracts that is maintained in conjunction with procurement colleagues and updated on a monthly basis.
- 11.3 The team has responded to recent legislation, i.e. the Social Housing (Regulation) Act 2023, by giving tenants more opportunity to communicate and engage with us, involving them in the decisions which affect their homes, local communities and the delivery of the housing service. STAP now has a tenant-led scrutiny panel that contributes to the way the Council monitors and delivers service improvement carrying out detailed scrutiny inspections into service areas. We are now using the new Tenant Satisfaction Measures to undertake annual surveying of tenants to determine levels of satisfaction with various aspects of the housing service. We will also be carrying out more perception and transactional surveys and using the feedback from tenants to inform the continuous improvement plan. The Council's housing service is also now continuing to improve benchmarking capabilities through HouseMark (industry leaders for the housing sector), to ensure the provision of a good, cost-effective and financially viable service. This will include a focus on health & safety, keeping tenants safe and secure in their homes, and continuing to invest in new energy efficient measures, retrofitting council homes in the coming years.

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, 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. • The Finance and Performance Subcommittee considered the following items during the year including: 2022-23 Annual Performance Report and draft KPIs 2023-24, Quarterly Budget Monitoring reports, Quarterly Corporate Performance Reports, Budget Strategy 2024-25, Waste & Street Cleansing Savings Proposals, Overview of Community Grants and an Options Report on whether to continue to maintain Kent County Council (KCC) owned grass in the district • The Audit and Governance Committee considered the following items during the year including: Update on Change of Governance Arrangements, Annual Governance Statement Actions - update on 2023/24 actions, The Internal Audit Annual Report 2022-23, Corporate Risk Register updates, Quarterly code of conduct complaints reports and Regular detailed updates from Grant Thornton, the Council’s external auditors.
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.

	<ul style="list-style-type: none"> 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 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>
Chief Finance Officer (s151)	<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 2023/24 were:</p> <ul style="list-style-type: none"> Putting in place new budgeting and monitoring process including more regular reporting to the Corporate Leadership Team Procurement of a new finance system for implementation during 2025-26 Full comprehensive and review of the MTFP for 2024-25 ensure more robust assumptions are in place Establishment of the Corporate Governance Board Annual Internal Audit Programme Regular meetings with Internal and External Audit
Assistant Director of Governance, Law and Democracy (Monitoring Officer)	<p>The Assistant Director – Governance, Law and Democracy holds the position of Monitoring Officer and is member of the council's Senior Management Team (SMT) 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 2023/24 were:</p>

	<ul style="list-style-type: none"> • Help establish/promote and Chair the Corporate Governance Board to ensure decision papers going forward were robust and considerate of all relevant issues • 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. • 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 Assistant Director – Governance, Law and Democracy. 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 2023/24, were:</p> <ul style="list-style-type: none"> • Completion of relevant training by relevant officers • Close working with key roles such as the Governance Manager, Data Protection Officer and Information Governance Team, and IT manager to strengthen the work in this area • Establishment of the new Information Governance Board
<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 Director – Corporate Services. 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 2023-24 based on the work of the East Kent Audit Partnership is presented in their annual report to the Audit & Governance Committee in July 2024: • 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 2024 the Internal Auditors completed 329.45 days of review equating to 94.13% 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 2023-24. • 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 from 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 standards will have become fully established and any new requirements better understood. • 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	<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.
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13. CONCLUSION

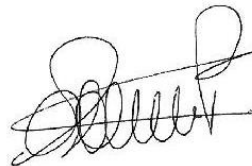
- 13.1 In line with the Council’s responsibilities for its internal control and overall governance environment (paragraph 1.1), the conclusion to the annual review process for the year ended 31 March 2024 and up to the date of approval of the Statement of Accounts is that the arrangements in place are 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 2024.

Signed:



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

Signed:



Dr Susan Priest
Chief Executive

Date: 17th July 2024

APPENDIX 1: Action plan for improvement following review of effectiveness of governance arrangements 2024-25:

	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, Assistant Directors/Chief Officers and internal audit’s opinion report.</p>	Monitoring Officer	May 2025
2	<p>Governance Arrangements</p> <p>To keep under review the Council’s governance arrangements, and to continue to work on the change of governance project with Cllrs and Officers</p>	Monitoring Officer	March 2025
3	<p>Data Retention Policy and General Data Protection Regulation</p> <p>To keep under review, the Data retention policy and the new General Data Protection Policy ensuring Officers and Members of the Council are aware of their responsibilities.</p>	Monitoring Officer	Ongoing
4	<p>Review of the Overview & Scrutiny Committee function and the new scrutiny arrangements being proposed under the proposed new governance arrangements</p> <p>To keep under review the governance and working arrangements of the committee.</p>	Monitoring Officer	Ongoing
5	<p>Corporate Policy Training</p> <p>Maintain corporate policy training programme and staff understanding of corporate expectations, roll out to new recruits.</p>	Chief HR Officer	Ongoing
6	<p>Develop temporary corporate policy compliance function</p> <p>To provide independent oversight and ensure that compliance with key corporate policies is monitored and reported to senior management team.</p>	Interim Director Governance and Finance Services & Chief Financial Services Officer	March 2025

7.	<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	March 2025
8.	<p>Cyber Security – Security Operations Centre Contract</p> <p>To renew and extend the existing SOC contract for the council to ensure effective cyber security defence along with robust monitoring and detection services</p>	Digital and ICT Manager	September 2024