

Dover District Council

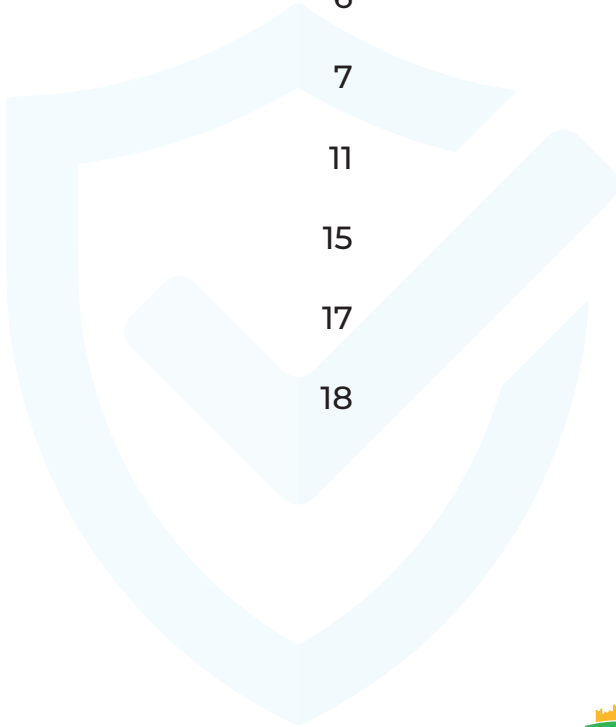
# Annual Governance Statement

2024/25



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# Annual Governance Statement

**We have been advised on the results of the review of effectiveness of the governance framework by the Governance Committee and the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.**

The Council has in place strong governance arrangements which we are confident protect its interests and provide necessary assurances to our citizens and stakeholders. We are satisfied the planned actions will improve our governance arrangements, identified from our assessment of effectiveness. We will monitor their implementation and operation throughout the year and report their progress as part of our next Annual Governance Statement.

The Annual Governance Statement identifies that overall; the Council has robust and fit-for-purpose governance arrangements. In particular, the Council's Local Code of Corporate Governance, reviewed in July 2025, has continued to operate effectively. However, it is acknowledged that within the overall governance framework, there are areas for improvement.

The Council continues to work with Grant Thornton, our external auditor, following the meeting of the Council held on 29 January 2025 pursuant to Section 24 and Schedule 7 of the Local Audit and Accountability Act 2014. The Council has made significant improvements in resolving the four areas of weakness identified. Updates on progress are presented to Governance Committee on a quarterly basis.

Additionally, specific opportunities for improvement in governance and internal controls are detailed within the action plan. We propose, over the coming year, to take steps to address these opportunities to further enhance our governance arrangements.

We are satisfied these actions will deliver, over appropriate timescales, the necessary improvements where required and continue to build on robust and effective governance arrangements elsewhere. These will continue to be monitored, evaluated, and reported on as part of our next annual review.

We have reviewed the effectiveness of the Council's governance framework and noted the opinion of the Director of Environment and Place. We sign this Annual Governance Statement on behalf of the Council.



**Nadeem Aziz**  
Chief Executive

Date:



**Kevin Mills**  
Leader of the Council

Date:



# Scope of Responsibility

**Dover District Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards to secure continuous improvement in the way in which its functions are exercised. It is also responsible for ensuring that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively.**

## **The Council concurs with the view that:**

*“Good governance leads to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes for citizens and service users. Good governance enables an authority to pursue its vision effectively as well as underpinning that vision with mechanisms for control and management of risk ... and governance arrangements should not only be sound but also be seen to be sound”.*

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

The Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) framework – ‘Delivering Good Governance in Local Government 2016 Edition’.

The Annual Governance Statement explains how the Council has complied with the Code and meets with the requirements of the Accounts and Audit Regulations 2015 in relation to the publication of a statement on internal control



## What is Governance?

**Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest, and accountable manner.**

**It creates a culture based on openness, inclusivity and honesty and ensures the Council acts lawfully.**

**Corporate governance refers to the processes by which the Council is directed, controlled, led, and held to account.**

**It ensures ongoing continuous improvement to further strengthen the way the Council operates.**

**Makes sure public money is safeguarded, properly accounted for, and spent wisely.**

**It demonstrates effective leadership, including accountability and transparency in actions and decisions.**

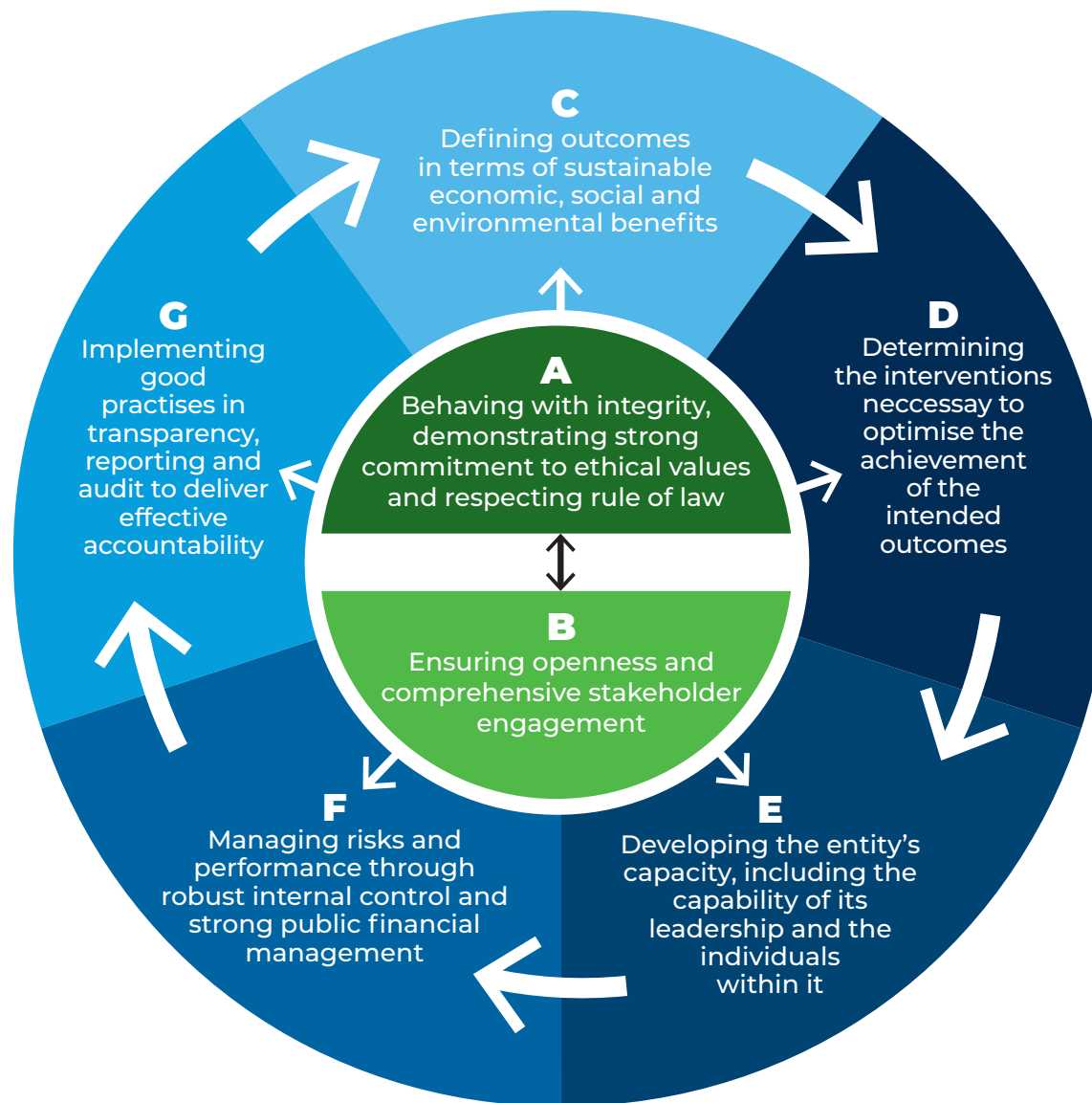
**Good governance is about achieving the intended outcomes while always acting in the public interest.**

# The Purpose of the Governance Framework

The governance framework includes a set of legislative requirements, governance principles, and management processes which the Council follows:

## Principles of corporate governance

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



# How the Council Works

1. Elected Councillors set the Council's strategic direction by developing and keeping under review the corporate objectives of the Council. The objectives give a clear direction for what is important politically and drive the work of Council services every day. Its strategic vision and corporate priorities are set out in the Corporate Plan 2023–2027. The Council approved its strategic priorities in the Corporate Plan which are shown in the diagram. To deliver these priorities each priority has actions supporting them.



2. There is an enhanced, integrated budget planning process which ensures Council services are delivered in accordance with the Council's objectives and represent the best use of resources. The Budget 2024/25 and Medium-Term Financial Plan 2024/25 to 2027/28 was approved at the meeting of the Council in March 2024.
3. Performance is measured against the strategic priorities in the Corporate Plan. Strategic Performance is reported quarterly to Cabinet and Overview and Scrutiny Committee. Operational Performance is reported quarterly to Corporate Management Team and Cabinet Portfolio Holders.
4. There is a written Constitution in place which specifies the roles and responsibilities of the executive, non-executive, scrutiny, and officer functions, setting clear delegation arrangements and protocols for effective communication.
5. Codes of Conduct have been developed, which define the standards of behaviour for Councillors and employees.
6. The Constitution, Schemes of Delegation to members and officers, Financial Procedure Rules, Contract Procedure Rules and other supporting procedures clearly define how decisions are taken and highlight the processes and controls required to manage risks, with appropriate review procedures.
7. The Governance Committee promotes and maintains high standards in relation to the operation of the Council's Code of Corporate Governance, ensuring that the Council operates within the law, in

accordance with the Council's internal procedures, and follows the framework and guidance issued by CIPFA/SOLACE. The Committee is also responsible for monitoring the risk management framework and control environment to ensure the Council's financial and non-financial performance is properly monitored.

8. Statutory officers support and monitor the Council's governance arrangements, ensuring expenditure is lawful and the Council continues to comply with relevant laws and regulations, internal policies, and procedures.
9. There are arrangements for whistleblowing and for receiving and investigating complaints from the public, supporting the measurement of the quality of services for users.
10. The Council seeks to keep communities informed, giving local people the opportunity to get involved in the decision-making process, promoting local democracy, and supporting and shaping places and local communities.

# Key Roles

The key roles of those responsible for developing and maintaining the Governance Framework are:

Key Roles	Responsibilities	Key Roles	Responsibilities
The Council	<ul style="list-style-type: none"> <li>● Approves the Constitution including the Financial Regulations.</li> <li>● Approves the policy and budgetary framework.</li> </ul>	Monitoring Officer	<ul style="list-style-type: none"> <li>● Advises the Council on ethical issues, standards, and powers to ensure the Council operates within the law and statutory Codes of Practice, including advice on Member conduct.</li> <li>● Overall responsibility for the maintenance and operation of the Whistleblowing Policy and contributes to the effective corporate management and governance of the Council.</li> <li>● Maintaining the Constitution.</li> </ul>
Cabinet	<ul style="list-style-type: none"> <li>● The main day-to-day decision-making body of the Council.</li> <li>● Made up of the Leader of the Council and a number of Cabinet members with responsibility for different portfolios.</li> </ul>	Directors and Managers	<ul style="list-style-type: none"> <li>● Responsible for developing, maintaining, and implementing the Council's governance, risk, and control framework.</li> <li>● Contribute to the effective corporate management and governance of the Council.</li> <li>● Implement and deliver the services in accordance the budget approved by Council.</li> </ul>
Governance Committee	<ul style="list-style-type: none"> <li>● Approves the Annual Governance Statement.</li> <li>● Provides independent assurance to the Council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment.</li> <li>● Promotes high standards of Member conduct and approves the Annual Statement of Accounts and Annual Governance Statement.</li> </ul>	Internal Audit	<ul style="list-style-type: none"> <li>● Provides independent assurance and opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control framework.</li> <li>● Delivers an annual programme of risk-based audit activity, including any special investigation activity.</li> <li>● Makes recommendations for improvements in the control environment for the management of risk.</li> </ul>
Overview & Scrutiny Committee	<ul style="list-style-type: none"> <li>● Acts as a 'critical friend' to the Cabinet in the carrying out its responsibilities.</li> </ul>	External Audit	<ul style="list-style-type: none"> <li>● Audits/reviews and reports on the Council's financial statements (including the Annual Governance Statement), providing an opinion on the accounts and use of resources, concluding on the arrangements in place for securing economy, efficiency, and effectiveness in the use of resources (the value for money conclusion).</li> </ul>
Chief Executive	<ul style="list-style-type: none"> <li>● Is the Head of Paid Service to ensure that all the authority's functions are properly co-ordinated as well as organising staff and appointing appropriate management.</li> </ul>		
Deputy Chief Executive	<ul style="list-style-type: none"> <li>● Leads and directs the effective corporate management and governance of the Council. Deputises for the Chief Executive.</li> </ul>		
Section 151 Officer (Head of Finance and Investment)	<ul style="list-style-type: none"> <li>● Leads and directs the financial strategy of the Council and ensures the Council controls and manages its money well. Is suitably qualified and experienced and ensures the Finance Team is fit for purpose.</li> <li>● Accountable for developing and maintaining the Council's internal control and counter fraud framework.</li> <li>● Contributes to the effective corporate management and governance of the Council.</li> </ul>		



# What is the Council's Governance Framework?

The key sources of assurance that inform this review and where it is obtained from are outlined below:

## Where do we need assurance?

- Compliance
- Democratic engagement and public accountability
- Management of risk
- Financial management
- Members and officer roles and responsibilities
- Standards of conduct and behaviour
- Action plan approved and reported on
- Effectiveness of internal controls
- Services delivered

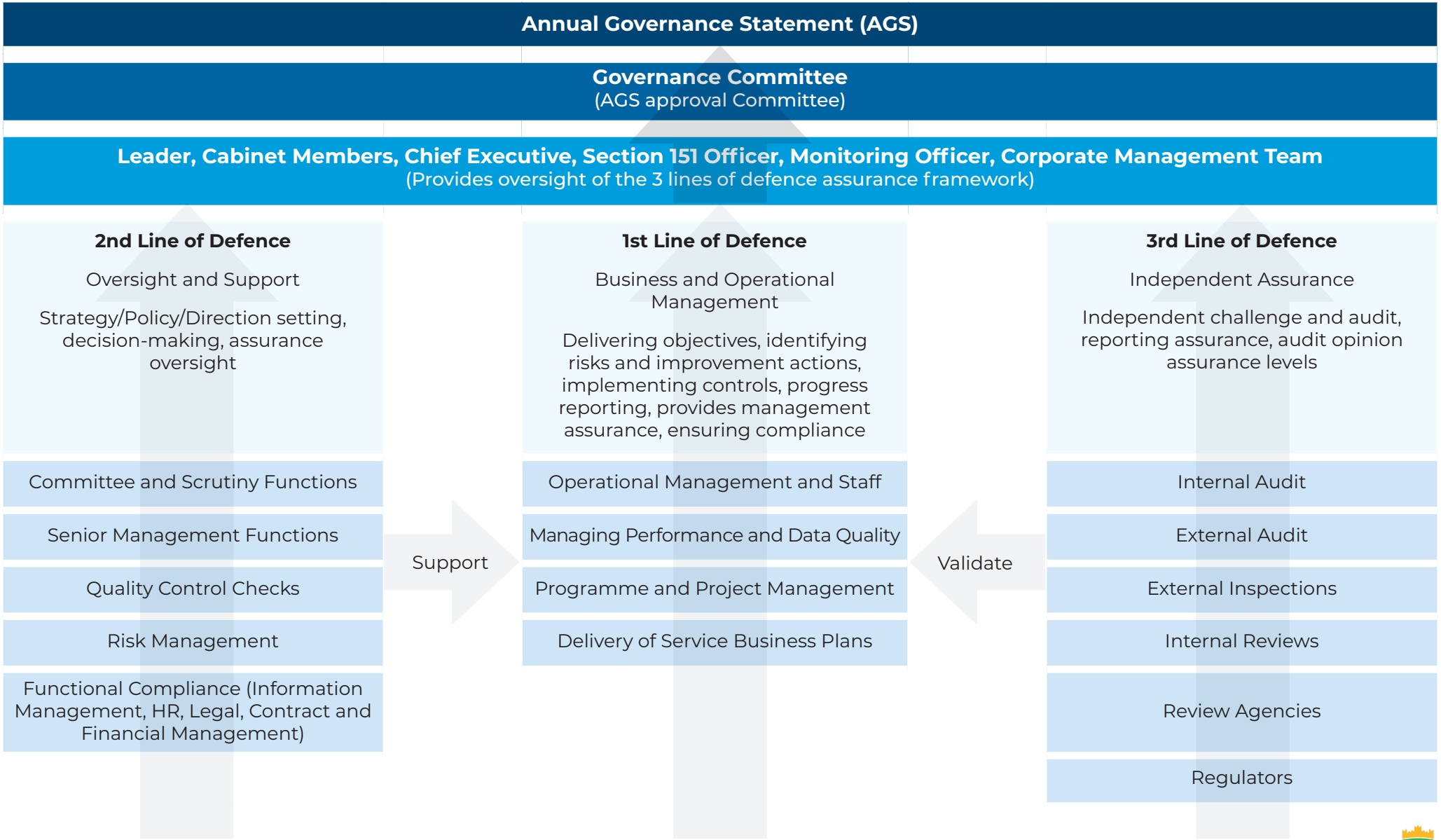
## Where can/do we get assurance from?

- Constitution
- Cabinet, Governance and Overview & Scrutiny Committees
- Internal and External Audit
- Independent and external sources
- Financial strategy
- Complaints system, Counter Fraud and Whistleblowing
- HR Policies and Codes of Conduct
- Risk Management Strategy and Framework
- Performance Management System

The review of effectiveness is informed by the three lines of defence (i.e. the relationship between managers responsible for the operational delivery; accountable managers who have responsibility for the development and maintenance of the governance environment; the Head of Internal Audit's independent risk assurance role) and inspections made by external auditors and other review agencies and inspectorates



# The Purpose of the Governance Framework



# Our Assessment of Effectiveness

**The effectiveness of the key elements of the governance framework is reviewed throughout the year. The review is informed by the work of senior officers who have responsibility for the development and maintenance of the governance environment, the Head of East Kent Audit Partnership's annual report, and from findings and recommendations received from external auditors and other review agencies and inspectorates.**

In assessing the effectiveness of our governance arrangements, we have sought to address the areas identified by CIPFA/SOLACE in the 'Delivering Good Governance in Local Government Framework'. This was recently amended in May 2025. The areas are:

- Whether arrangements are adequately aligned to support the authority's delivery of planned outcomes and meet its responsibilities for value for money/best value.
- Explicit assurance that each of the core arrangements for the local code are operating effectively.
- The results of external assurance providers and internal audit's annual conclusion.
- An explanation of how the overall opinion has been agreed.

**Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.**

- Staff behaviour is governed by the Officer Code of Conduct.
- Staff are required to undertake mandatory training at induction and refresher training to support legal compliance.

- The Council operates a two stage complaints procedure in line with the guidance issued by the Housing Ombudsman and the Local Government and Social Care Ombudsman. This was last reviewed with a new version adopted in July 2024.
- Confidential concerns can be raised through the Council's Whistleblowing Policy.
- The Council has a Strategy for the Prevention of Fraud and Corruption in place to provide proactive solutions to minimise the risks of fraud. There is also a Protocol for dealing with allegations of fraud and corruption.
- The Council has an Anti-Money Laundering Policy and an Anti-Bribery Policy in place to provide proactive solutions for dealing with bribery and money laundering.
- The scrutiny process as detailed in the Constitution enables those who are not Cabinet members to call in key decisions.
- The Council is managed by a Cabinet system as set out in the Council's Constitution, which shows the scheme of delegation between elected Members and Officers.
- The Council's Constitution sets out the Contract Procedure Rules to ensure compliance with procurement regulations and Best Value for contracts.
- Procurement arrangements recognise the importance of ethics and sustainability with appropriate evaluation of suppliers' proposals for Social Value which includes sustainability issues supported by contract monitoring.
- The Chief Executive is the Head of Paid Service and is supported by the Corporate Management Team. Cabinet portfolios are assigned on a function basis, rather than directorate and subject to appropriate officer support.
- The Head of Finance and Investment is the nominated Chief Financial Officer in accordance with Section 151 of the Local Government Act 1972. Internal Audit provided by East Kent Audit Partnership work in line with the Public Sector Internal Audit Standards.
- The system of internal control is based upon a framework of comprehensive financial regulations and procedures. Control is based on regular management information, management supervision, and a structure of delegation and accountability as defined in the Council's Financial Procedure Rules within the Constitution.

- The Head of Legal and Licensing is the Monitoring Officer and is responsible for ensuring the Council acts in accordance with the law and the Constitution.
- Members of the Corporate Management Team include the Chief Executive, the Director of Environment and Place (Deputy Chief Executive) and the Director of Housing, Finance and Assets.

**Principle B: Ensuring openness and comprehensive stakeholder engagement.**

- The Council has established clear vision and values linked to its strategic objectives through its Corporate Plan. This was developed with considerable input from the district's residents.
- Council meetings are open to the public, unless specified otherwise. A number of the Council's meetings are broadcast live and the recordings are made available online on the Council's YouTube channel (@doverdc).
- The Council works with Kent County Council and the local towns and parishes where appropriate to do so.
- In order to demonstrate its openness, the Council follows the Local Government Transparency Code and makes documents publicly available such as the Pay Policy Statement; the Gender Pay Gap Report; Officer Emoluments, Salaries and/or Remunerations exceeding £50,000; its Constitution; Council, Cabinet and Committee reports; and Payments over £500.

- Budget considerations of the final budget took place at Full Council in March 2024. The Council Tax increase for the year was 2.98% (for the District Council's portion of the Council Tax).
- The Council held elections for the UK Parliament and the Kent Police and Crime Commissioner and the Parliamentary Constituency within the District. Results of which can be found on the Council's website.

**Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits.**

- The Medium-Term Financial Plan sets out how services are delivered within the Council's financial resources, including how the Council is delivering innovative solutions to provide environmental and economic benefits to the citizens of Dover District.
- The Council recognises the need for urgent action to address climate change and has declared a Climate Change Emergency. The Corporate Plan 2023 - 27 recognises the objective of Protecting our Environment and making the Council a net zero carbon emitter by 2030.
- The Council's Committee reports all have mandatory sections detailing the impacts of decisions on legal, equality, climate change and financial implications.

**Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.**

- Quarterly performance reports produced and presented to Cabinet. For Quarters 1 and 2, this reporting was deferred until Quarter 3 due to temporary resource constraints. The usual quarterly performance reporting has now resumed.
- For 2025/26, a new Strategic Performance Reporting framework was introduced with effect from Quarter 1, 2025. This will be presented alongside a separate financial update report.

**Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it.**

- The Constitution is reviewed regularly by the Monitoring Officer to ensure the constitution is fit for purpose. In early 2025, it was agreed with the Governance Committee that as part of the review process, all councillors would be invited to identify any area of the Constitution that they felt would benefit from being reviewed.
- Regular meetings and 1:1's are held at all levels. As part of these meetings performance is discussed. The Personal Development Review process provides a golden thread through individual performance objectives, to service plan goals, to the Council's Corporate Plan objectives.

- Training has been provided for all councillors in line with the provisions of the Constitution. In addition to this, on-going training is being provided for members of the Governance Committee.
- As part of our ongoing commitment to development and training of staff, we offer external Leadership training to all Heads of Service resulting in a formal qualification

**Principle F: Managing risks and performance through robust internal control and strong public financial management.**

- To ensure independent reviews of its systems, the Council operates an Internal Audit service with regular reports taken to the Governance Committee. The 2024/25 Internal Audit Opinion provided a Limited opinion over the Council's control environment.
- Risk management is integral to the governance arrangements, and the Corporate Risk Register is considered by the Governance Committee and the Corporate Management Team on a quarterly basis. The risk management framework consists of a policy statement; risk register; systems for mitigating and controlling risks; and systems for monitoring and reviewing. Risks are escalated through to the Corporate Management Team on a quarterly basis as part of a wider remit to review performance across the Council. An updated Risk Register was adopted by Council in 2024 and is based on best practice. It also builds on the recommendations from an internal audit on the previous Corporate Risk Register.

- New Members receive induction with separate training provided for specific committee needs.
- All Cabinet meetings consider key matters including those on risk and performance and these are detailed in the Notice of Forthcoming Key Decisions (formerly the Forward Plan).
- The Annual Budget is supported by commentary detailing its deliverability and is supported by the key risks within the budget.
- The final accounts are prepared in accordance with professional standards and subject to External Audit.
- Information governance and compliance with the various policies, for example General Data Protection Regulation are regularly monitored through mandatory training.
- The Council's corporate governance is supported through consistent, well-managed project delivery and providing clear reporting to provide assurance, invite discussion and enable decisions. The Council is currently reviewing its project management processes and documentation to ensure that they are aligned with our Corporate Priorities and helping the Council stay focused on what matters most.

**Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability.**

- The Council's Local Code of Corporate Governance is regularly reviewed and updated where appropriate. The Council has a number of policies and procedures which are recorded in its Local Code of Corporate Governance.
- As part of the Transparency Agenda the Council agreed to publish senior officer salaries over £50,000 and invoices over £500 on its web site.
- The Council is proactive in engaging with residents and other key stakeholders throughout the year and specifically through consultations.
- Clear protocols and robust processes are in place to allow Internal Audit and External Audit to undertake their activities to look to scrutinise and protect the authorities' interests.



## Our Assessment of Effectiveness

The Council's Constitution details Directors' responsibilities for the maintenance of controls within their departments. The system of internal control is subject to regular review by Internal Audit. The work of the service is informed by the Council's risk registers, with the allocation of internal audit resources controlled through an annual risk-based operational plan, which is agreed by the Governance Committee. In addition to these arrangements the Council receives and responds to reports from other review and assurance mechanisms.

Internal Audit produce an Annual Report each year and for 2024/25 gave a Limited opinion. The Annual Report contains the Internal Audit opinion on the overall adequacy and effectiveness of the Council's governance, risk and control framework (i.e. the control environment), a summary of the audit work from which the opinion is derived and any work by other assurance providers upon which reliance is placed and a statement on the extent of conformance with the Standards.

## Corporate Risk Register

The council's corporate risk register is prepared following assessment by officers of service risks. This in turn is then reviewed by the Corporate Management Team and reported to Cabinet and Governance Committee on a quarterly basis. Services will have operational risks (in their service business plans) and may have strategic risks (in the Corporate Risk Register). The operational risks are reviewed quarterly by Corporate Management Team and Strategic Corporate risks are reviewed on a quarterly basis at a minimum. Each risk is accompanied by a mitigation setting out the controls in place to manage risk. There is provision for Corporate Management Team to escalate operational risks to the strategic Corporate Risk Register as needed.

The main purposes of the council's corporate risk management process are:

- Adopt a strategic approach to risk management to enable Members and Officers to make well informed decisions and ensure that the Council's key corporate priorities are delivered.
- Embed risk (and opportunity) management as an integral part of strategic, service, financial planning, project planning and policy making. It is a key and effective element of our corporate governance.
- Establish a standard systematic approach to risk identification, analysis, control, monitoring and reviewing.
- Provide a robust and transparent framework for managing risk and supporting decision-making.
- Manage and mitigate project risks.
- Support a culture of well measured risk taking throughout the Council including setting risk ownership and accountabilities but accept that even with good risk management and our best endeavours, things can go wrong. We will learn lessons where this happens.
- Anticipate and prevent injury, damage and losses through effective risk management and reduce the cost of risk.
- Ensure that the Council continues to meet all statutory requirements in relation to risk management.
- Anticipate and respond to changing social, economic, political, environmental, legislative, and technological requirements.



The risk register, whilst maintaining risks associated with the council's normal operations also aligns the corporate risks with the Corporate Plan's five Strategic Priorities where possible. Risk descriptions and high-level mitigations have been updated in the Corporate Risk register where appropriate. A number of the corporate risks remain high, reflective of the current environment which continues to impact directly on management, operations and financing of local authorities. While the new Corporate Risk Framework has not been subject to an internal audit review since its implementation, the previous Corporate Risk Framework was audited by the East Kent Audit Partnership (resulting in a Reasonable/Limited assurance) and all the recommendations arising from that audit have been implemented in full in the new Corporate Risk Framework. Additionally, further enhancements that have been made based on best practice identified elsewhere, suggestions from the East Kent Audit Partnership and at the request of the Corporate Management Team and the Governance Committee. This has resulted in a robust and maturing corporate risk management framework.

The highest risks in the Corporate Risk Register are those that have been assessed as 'red' and can have an impact that would be felt council wide and may contain a number of 'threats' that are beyond the Council's ability to directly mitigate. The critical 'red' risks highlighted in the Quarterly Risk Register Update are listed below.

Corporate Plan Strategic Priority	'Red' Risk
Improving our Housing	R03 Increased homelessness and demand for social housing
Protecting our Environment	R28 Tree Failures
Growing our Economy	No red risks
Supporting our Communities	R04 Unable to deliver Statutory Port Health functions and provide sufficient biosecurity controls at the Dover Border and Coquelles. R17 Cyber Security, Business Continuity and Disaster Recovery R22 Emergency and Business Continuity Plans R24 Safeguarding
Modernising our Council	R18 Cyberattack R01 Financial Shortfall R02 Business Rate Income R13 Delivering a Sustainable Budget R19 Health and Safety R26 Increasing Costs of Supported Housing R27 S114 notices issued within Kent and Medway R26 Veolia (Cloud System)
Not Applicable	R23 Public Service Network (PSN) non-compliance

## Internal Audit – Head of East Kent Audit Partnership Opinion

The primary objective of Internal Audit is to provide independent assurance to Members, the Chief Executive, Directors and the Section 151 Officer on the adequacy and effectiveness of those systems on which the Authority relies for its internal control. The Opinion of the Head of East Kent Audit Partnership is a key source of assurance for the AGS. Whilst, no system of control can provide absolute assurance, nor can Internal Audit give that assurance, the opinion is intended to provide assurance that there is an ongoing process for identifying, evaluating and managing the key risks. For the year 2024-25 the Head of East Kent Audit Partnership concluded a Limited opinion whilst noting that for the period following 31 March 2025. (post the year end date) much work has been undertaken, and the position is a continuously moving target.

The areas giving rise to the Limited opinion focussed on the control failures leading to significant backlogs of work for VAT returns, bank reconciliation, and income suspense together with missing controls with the Construction Industry Scheme, Project Management and Employee Benefits in Kind.

Established processes already exist for the escalation of internal audit recommendations that are high priority and overdue at the time of follow up, to the Governance Committee. However, additional steps to better track the agreed management actions arising from the Internal Audit reports have been implemented during the year.

This involves reporting the Recommendation Tracker information quarterly to the Heads of Service Group and Corporate Management Team, and annually to the Governance Committee via the Annual Report. Notably this will ensure better governance over agreed management actions as they will remain reported until implemented.

A further enhancement made by the Council has seen improved governance regarding the risks identified in individual audits when these become significant enough to feature in the Corporate Risk Register. The Council has now responded by demonstrating transparency of the risks highlighted to the Governance Committee and those charged with oversight of corporate risk.

## Results of Internal Audits 2024/25

The annual report from East Kent Audit Partnership was presented to the Governance Committee at its meeting held on 26 June 2025. A summary of the Assurance Levels issued in 2024/25 is as follows:

Assurance	No.	Percentage of Completed Reviews
Substantial	6	43%
Reasonable	2	14%
Limited	5	36%
No Assurance	1	7%

During 2024-25, 172 recommendations were made in the agreed final audit reports to Dover District Council. These are analysed as being Critical, High, Medium or Low risk in the following table:

Risk Criticality	No. of Recommendations	Percentage
Critical	5	3%
High	70	41%
Medium	56	32%
Low	41	24%
TOTAL	172	100%

Out of the 172 recommendations made during 2024/25, 7 were rejected by management.

## How we have improved our governance arrangements in 2024/25

The Council has improved our governance arrangements in the following ways during 2024/25:

- Work was underway on the creation and approval by Corporate Management Team of a Project Concept Note in Q4 of 2024/25. The purpose is to ensure all potential projects are carefully considered and approved by Corporate Management Team with appropriate governance and monitoring arrangements in place for the lifecycle of the project. Continuing in 2025/26, a Project Management Hub has been created on the Staff Hub to consolidate project management guidance in a single location. This includes guidance on the 5 Stages of the Project Lifecycle (Initiate, Execute, Manage, Close and Review), a draft project management framework and a draft project management toolkit. Roll out of the hub and ensuring compliance with the outlined steps will continue and be monitored by a Project Review Team .
- The implementation of the new Corporate Risk Management Strategy that saw the Council move from a 3x3 matrix to a 5x5 matrix. As part of this, the Council reviewed all of the risks on the existing Corporate Risk Register and converted them to the new format. At the same time, new risks were added to the Register as required.



- The implementation of quarterly Corporate Risk Register updates to the Governance Committee commencing in late 2024, following the adoption of the new Corporate Risk Management Strategy. This has seen a number of improvements implemented over the quarterly updates with the final improvements to be implemented for the 18 September 2025 Governance Committee meeting.
- Although it will be implemented in 2025/26, work was undertaken in 2024/25 to enable the escalation by Corporate Management Team of risks contained within business plans to be escalated to the Corporate Risk Register.
- The Council's Constitution was subject to its annual review and as part of this, updates were made to the Scheme of Officer Delegations as well as other improvements and clarifications.
- The development of a new Strategic and Operational Performance framework for implementation in 2025/26. The new focussed Strategic Performance Report has reduced from 65 to 30 indicators, with the indicators presented in accordance with their corresponding Corporate Plan Strategic Priorities. This will be accompanied by a separate budget report and a complaints report.
- Operational performance for 2025/26 will be presented to Corporate Management Team and Cabinet Portfolio Holders on a quarterly basis.
- A review of the Corporate Governance Local Code was conducted in 2024/25, with the outcome reported to Governance Committee and full Council in June/July 2025. This incorporates the new Corporate Risk Management Strategy and updated the document to reflect organisational changes.
- The Corporate Management Team undertook the annual review of business plans. A new format was introduced for 2025 that tied into the 'golden thread' approach, linking to risk, performance monitoring and Corporate Plan strategic priorities.
- Business Continuity Plans were reviewed, with a number of enhancements introduced based on best practice and lessons learnt from previous business continuity exercises.
- During 2024/25 the historic sets of accounts were all completed and disclaimed in line with the Government's backstop dates. As part of this work detailed reviews of the process and information included in the accounts was undertaken and is on-going for the production of the 2024/25 statement of accounts. Dedicated resource is now included in the Accountancy team to lead and produce the annual statement and to provide support and guidance as required.
- Dedicated resource was also applied to bring all the historic VAT returns up to date and reclaim all outstanding VAT income. This is now complete, and all returns are now submitted on a timely basis. The introduction of resilience within the team was unable to be completed, due to the loss of a member of the team, this is now being implemented during 2025/26.
- Challenges with the bank reconciliation process continued during 2024/25, with dedicated resource working to bring the process up to date. This was slowed in December due to the implementation of a new income system, but working with the software supplier, the issues were resolved and the 2024/25 bank reconciliation was completed in July 2025. Work is underway to bring 2025/26 up to date.
- Reporting to Governance Committee on progress on the Section 24 recommendations now takes place on a quarterly basis to keep members updated.



# Where our Governance arrangements need to improve

**The Council is committed to maintaining, and where appropriate making improvements to achieve, the highest standards of Corporate Governance. As part of this, we are committed to regularly reviewing the governance arrangements and addressing issues of improvement where identified.**

Overall, the Council believes that it has a robust and fit-for-purpose governance framework which it is confident will protect its interests and provide necessary assurances to our residents and stakeholders. However, this doesn't mean that there are not areas that can be improved, and the Council is committed to the principle of continuous improvement. The following areas have been identified for improvement in 2025-26:

- The Council continues to build on its project management framework. The Council has a successful track record in delivering major projects such as the Dover District Leisure Centre and Maison Dieu and has a number of new major projects such as the Deal Leisure Centre and the Beacon Project underway.
- As part of the continuing work in respect of the Risk Management Framework, the Council is improving its operational risk reporting arrangements. The risks identified in the service level Business Plans will be reported to Corporate Management team on a regular basis.
- On 17 January Grant Thornton issued a Statutory Recommendations report under Section 24 of the Local Audit and Accountability Act. The recommendations were presented to Full Council on 29 January 2025. Full details of the progress on the recommendations are presented to Governance Committee on a quarterly basis, the main progress to date is:
  - Financial Management
    - Bank reconciliation – up to year end 2024/25 reconciliations complete, 2025/26 transactions work in progress.
    - VAT Returns – complete and up to date.
    - VAT Partial Exemption – complete and up to date.
  - Financial performance information
    - Financial Reporting – new quarterly financial update to be presented throughout 2025/26.
    - Financial Proposals – complete and on-going.
- Governance and oversight
  - Internal Audit Recommendations and the AGS – audit recommendation tracking implemented. Review of the 2024/25 AGS in progress.
  - Project Management Arrangements – new project management process approved and is being embedded.



# Forward Look on Governance

## Action Plan for 2025/26

**Actions planned for 2025/26 to further strengthen the Council's governance, alongside the stand arrangement already in place are:**

Area	Governance Matter Identified	Area	Governance Matter Identified
Corporate Ambitions	Deliver actions set out in the Corporate Plan in relation to the Council's five priorities.	Finance	Work with other councils to lobby Central Government on the need for sustainable funding
Corporate Governance	Policies to be reviewed and updated as necessary. In light of the Economic Crime and Corporate Transparency Act 2023, the Council's fraud related policies will be reviewed.	Finance	Work with External Audit to deliver a timely audit for 2024/25 Financial Statements.
Corporate Governance	Corporate Governance preparation for local government reorganisation, alongside development of Councillor training programmes.	Finance	Continue to develop the main accounting system to improve information and processes for management and reporting.
Corporate Governance	As agreed with Governance Committee in 2024, councillors will be invited to identify areas to consider as part of the annual review of the Constitution.	Finance	Continue to review the support to budget managers to ensure that tools and training are available to enable them to fulfil their financial management responsibilities.
Corporate Governance	The Monitoring Officer will look at bringing forward amendments to the Scheme of Officer Delegations on a quarterly basis, where new or changed delegations are in place.	Finance	Continue to progress the recommendations in the Section 24 notice, including the completion of bank reconciliations, revised quarterly financial reporting and the completion of the audit of the 2024/25 Statement of Accounts audit by the backstop date.
Corporate Governance	Review the Local Code of Corporate Governance in 2025/26.	Internal Audit	Work throughout 2025/26 to ensure compliance with new Internal Audit standards.
Corporate Governance	To undertake the required annual self-assessments for the Housing Ombudsman/Local Government and Social Care Ombudsman. As part of this, to continue to implement improvements in the Council's complaint reporting.	Internal Audit	Continue to develop the audit recommendation tracking and reporting process
Finance	Work with Cabinet and Corporate Management Team to review the 2025/26 budget and financial challenges, giving particular attention to the delivery of the of savings.	Staffing	To ensure the Council continues to attract and retain qualified staff to ensure sustainable service delivery.
Finance	Develop the 2026/27 budget and Medium-Term Financial Plan addressing the prior year budget challenges, continued demand pressures on Council services, and the impact of government reforms/policies.	Continuous Improvement	The Continuous Improvement team, at the direction of the Corporate Management Team, work with service areas and teams to identify and highlight areas of best practice and improvement through service and process reviews.

Area	Governance Matter Identified
Continuous Improvement	Continue to work with Heads of Service to develop and embed the new project management process.
Digital Information and Technology	Continue to work to protect the Council from security incidents and data breaches occurring, including targeting additional mandatory training for all staff.
Digital Information and Technology	Engage proactively with suppliers of Artificial Intelligence (AI) to ensure the adoption of any AI products is undertaken appropriately, safely and in line with policy.
Procurement	Further embed the new Procurement Act 2023 and Procurement Regulations 2024 including Member and officer training.
Public Sector Equality Duty	Monitoring of our Equality Impact Assessment process to ensure we accurately identify the impacts of service changes on service users with protected characteristics.
Government Policy	Recognise and, where appropriate, take action on the impact of new and emerging government policy, reform, and consultation.
Government Policy	To ensure that the Council is prepared for the challenges of Local Government Reorganisation in 2025/26 and after.

A progress update will be provided to Governance Committee in 2025/26 on the matters identified above.

