



Corporate Governance Local Code

Revised: July 2025

Contents

	<u>Page No</u>
1. Introduction	2
2. Background	4
3. Governance Principles	7
4. Annual Governance Process	20
5. Example Directors Assurance Statement	24
6. Risk Management Strategy	28
7. Performance Management	53

Introduction

What Do We Mean By Governance?

Governance is about how we ensure that we are doing the right things, in an open, honest and accountable manner.

The International Framework: Good Governance in the Public Sector defines governance as:

Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times.

Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.

For Dover District Council, good governance comprises the systems, processes, cultures and values we follow so that we can pursue our vision and objectives effectively, delivering intended outcomes for our communities, whilst minimising the risks involved. We aim to meet the standards of the best and ensure that our governance arrangements are sound.

Good Governance runs through every level of the Council, it is owned by all stakeholders, including senior management and members. It forms the essential core values of the Council and should remain embedded in the culture of the Council.

Purpose of This Corporate Governance Local Code

Our Corporate Governance Local Code brings together legislative requirements, governance principles and management processes, providing a governance framework for the proper conduct of our business in a transparent and accountable way.

Delivering Good Governance

Good governance is important to all officers and members of this council. It is a key responsibility of our Leader, our Chief Executive, the Cabinet, the Corporate Management Team and the full Council, in particular the Governance Committee who are responsible for monitoring and providing assurance on our governance arrangements.

The Council has in place a process of continual review of its internal control arrangements. Rules are embedded into the Constitution of the Council, under the term Corporate Governance. Good Corporate Governance underpins credibility and confidence in the Council and this Code of Corporate Governance promotes accountability, effectiveness, openness, integrity and inclusivity in all of our business.

This statement, the systems that support it and the overall Corporate Governance arrangements are all subjected to an annual audit inspection by the Council's external auditors.

This Local Code also provides a mechanism for the continued development of Corporate Governance arrangements, summarising the principles and how this Council will comply with

the Corporate Governance Framework, with Risk Management and with Performance Management.

Testing our Arrangements

We test our arrangements by:

- Maintaining an up-to-date and effective local code of governance.
- Regular review of our existing governance arrangements against this code.
- Preparing an annual governance assurance statement in order to report publicly on compliance with this code, over the past year.
- Reporting any planned changes in the coming period.

In order to review our current arrangements, we:

- Collect evidence of systems, processes and documentation that provide evidence of compliance;
- Collect evidence of the individuals and committees responsible for monitoring and reviewing systems, processes and documentation.
- Ensure management and reporting arrangements are in place to monitor governance effectiveness.
- Identify the issues that have not been addressed adequately and consider how they should be addressed.
- Prepare an action plan to address issues with responsibilities listed
- Prepare an action plan for the forthcoming year's evidence collection.
- Ensure appropriate risk and performance management arrangements are in place and are operating effectively.
- Ensure systems of control are working effectively.

Key elements of our Governance Arrangements

Compliance

- With relevant laws, regulations, policies and procedures
- Financial management requirements, including the role of the Chief Financial Officer (section 151 Officer)
- Effective arrangements to discharge the roles of Head of Paid Service, Monitoring Officer and Section 151 Officer
- Effective counter fraud and anti-corruption arrangements
- Governance/audit committee

Performance

- Clear channels of communication
- Commitment to openness and transparency
- Effective decision making, including the scheme of officer delegations
- Performance management and reporting
- Clear roles and responsibilities for officers and members
- Effective Overview and Scrutiny function
- Induction and development of members and officers

Background

The Principles of Conduct

The Committee for Standards in Public Life, the seven "Nolan" Principles form an important part of the Governance Framework for Members, Officers and partners.

The principles are:

- **Selflessness:** Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.
- **Integrity:** Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.
- **Objectivity:** In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- **Accountability:** Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- **Openness:** Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and actions and restrict information only when the wider public interest clearly demands.
- **Honesty:** Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- **Leadership:** Holders of public office should promote and support these principles by leadership and example.

Dover District Council's Member Code of Conduct

This Council's Code of Conduct incorporates the principles outlined above and also covers:

- General principles in relation to behaviour and equal treatment of people.
- Confidentiality and openness – the treatment of confidential information and access to information
- Criminal offences and bringing the authority into serious disrepute.
- The use of the authority's resources – the prohibition of members from using their office/position to obtain advantage or from using local authority resources for the benefit of political parties
- Decision making – the requirement for members to act reasonably
- Disclosable Pecuniary Interest– restrictions on participation in meetings by members with an interest in matters under consideration
- The registration of members' interest – and gifts and/or hospitality received.
- Other significant interests

Code of Conduct for Officers

The Council's Code of Conduct for employees provides staff with an effective ethical framework within which to work and aims to give the Council's communities confidence that the staff are working on their behalf in an appropriate manner. The Council's Conditions of

Service require all officers to abide by the Code of Conduct for employees. Officers should be aware and comply with all policies of the Council.

The public is entitled to expect the highest standards of conduct from all local government employees. The role of employees is to serve the Council in providing advice, implementing its policies and delivering services to the local community. In performing their duties, they must act with integrity, honesty, impartiality and objectivity, complying with the Seven Principles of Public Life.

Governance Principles

Development of the Principles of Governance

In 2007 the CIPFA/SOLACE joint working group issued a framework called *Delivering Good Governance in Local Government* together with an accompanying guidance note. This was aimed at helping Local Authorities develop and maintain their own codes of governance.

The guidance was updated in 2011 and 2012 to reflect the latest Accounts and Audit regulations. The Framework was further reviewed in 2016 and a revised edition published in April 2017.

The Framework positions the attainment of sustainable economic, societal and environmental outcomes as a key focus of governance processes and structures. The framework defines the principles that underpin the governance of this local authority.

Core and Supporting Principles

The seven core principles are taken from the International Framework: *Good Governance in the Public Sector* and help local authorities demonstrate good governance through their local codes.

Each of these principles translates into a range of specific requirements and they are reflected in this Corporate Governance Local Code in the following pages.

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement

Principles A and B permeate implementation of principles C to G.

- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Good governance is dynamic, and Dover District Council is committed to improving governance on a continuing basis through a process of evaluation and review.

Core Principle	Sub Principles
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.	Behaving with Integrity • Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation • Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the seven Principles of Public Life • Leading by example and using the standard operating principles or values as a framework for decision making and other actions • Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively Demonstrating strong commitment to ethical values • Seeking to establish, monitor and maintain the organisation's ethical standards and performance • Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation • Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values • Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation Respecting the rule of law • Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations • Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements • Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders • Dealing with breaches of legal and regulatory provisions effectively • Ensuring corruption and misuse of power are dealt with effectively

Core Principle	Sub Principles
B. Ensuring openness and comprehensive stakeholder engagement Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.	Openness • Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness • Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided • Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear • Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action Engaging comprehensively with institutional stakeholders • Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably • Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively • Ensuring that partnerships are based on: trust, a shared commitment to change, a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit Engaging with individual citizens and service users effectively • Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes • Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement • Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds

Core Principle	Sub Principles
	including reference to future needs • Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account • Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity • Taking account of the impact of decisions on future generations of tax payers and service users

Core Principle	Sub Principles
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.	Defining Outcomes • Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions • Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer • Delivering defined outcomes on a sustainable basis within the resources that will be available • Identifying and managing risks to the achievement of outcomes • Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available Sustainable economic, social and environmental benefits • Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision • Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints • Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs • Ensuring fair access to services

Core Principle	Sub Principles
D. Determining the interventions necessary to optimise the achievement of the intended outcomes Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.	Determining the interventions • Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided • Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts Planning interventions • Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets • Engaging with internal & external stakeholders in determining how services and other courses of action should be planned and delivered • Considering and monitoring risks facing each partner when working collaboratively, including shared risks • Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances • Establishing appropriate key performance indicators as part of the planning process in order to identify how the performance of services and projects is to be measured • Ensuring capacity exists to generate the information required to review service quality regularly • Preparing budgets in accordance with objectives, strategies and the medium term financial plan • Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy Optimising achievement of intended outcomes • Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints • Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage

Core Principle	Sub Principles
	• Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term • Ensuring the achievement of 'social value' through service planning and commissioning.

Core Principle	Sub Principles
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.	Developing the entity's capacity • Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness • Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently • Recognising the benefits of partnerships and collaborative working where added value can be achieved • Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources Developing the capability of the entity's leadership and other individuals • Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained • Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body • Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority • Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: ○ ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged ○ ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis

Core Principle	Sub Principles
	○ ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external • Ensuring that there are structures in place to encourage public participation • Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections • Holding staff to account through regular performance reviews which take account of training or development needs • Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing

Core Principle	Sub Principles
F. Managing risks and performance through robust internal control and strong public financial management Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.	Managing risk • Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making • Implementing robust and integrated risk management arrangements and ensuring that they are working effectively • Ensuring that responsibilities for managing individual risks are clearly allocated Managing performance • Monitoring service delivery effectively including planning, specification, execution and independent post implementation review • Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook • Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible • Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement • Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements) Robust internal control • Aligning the risk management strategy and policies on internal control with achieving objectives • Evaluating and monitoring risk management and internal control on a regular basis • Ensuring effective counter fraud and anti-corruption arrangements are in place • Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor • Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body: ○ provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment

Core Principle	Sub Principles
	○ that its recommendations are listened to and acted upon Managing data • Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data • Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies • Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring Strong public financial management • Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance • Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls

Core Principle	Sub Principles
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.	Implementing good practice in transparency • Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate • Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand Implementing good practices in reporting • Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way • Ensuring members and senior management own the results reported • Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement) • Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate • Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations Assurance and effective accountability • Ensuring that recommendations for corrective action made by external audit are acted upon • Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon • Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations • Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement

Core Principle	Sub Principles
	• Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met

The Annual Governance Process

To be effective a governance framework needs to demonstrate that the Core and Supporting Principles are underpinned by evidence. This local code demonstrates how we will collect our evidence as part of an on-going process. Evidence is collected and held on the council's performance monitoring system throughout the year. This includes a detailed assessment against the core and sub principles identified in this code.

Annually, there is a review of the effectiveness of the Council's system of internal control and this informs the Annual Governance Statement. Dover District Council is required to prepare its annual governance statement to report publicly on the extent to which we comply with this local code of corporate governance.

This includes how we have monitored and evaluated the effectiveness of our governance arrangements in the year, and on any planned changes in the coming period. The annual governance statement is a valuable means of communication. It enables the Council to explain to the community, service users, taxpayers and other stakeholders its governance arrangements and how the controls it has in place manage risks of failure in delivering its outcomes

The Director of Environment and Place (Deputy Chief Executive) and the Monitoring Officer provide an opinion on the level of assurance that the governance arrangements can provide and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

The Leader and Chief Executive sign the statement on behalf of the Council.

The outcome of the annual review is reported internally to Cabinet and Governance Committee, and externally in the Annual Report with the published accounts.

Completing the Assurance Statement

The annual governance assurance statement will include the following information:

- An acknowledgement of our responsibility for ensuring there is a sound system of governance
- A description of the key elements of our governance framework.
- A description of the key elements of the review of effectiveness
- What the current year's review involved including a description of the processes that were applied.
- Significant governance issues, including an agreed action plan to deal with any issues.
- Improvements made during the year and how issues identified in the previous year's action plan have been addressed and resolved.
- An opinion by the Director of Environment and Place (Deputy Chief Executive) on the level of assurance that the systems and processes that comprise our governance arrangements provide.
- Statement of approval of the Leader and Chief Executive of the Council, including a commitment to monitor implementation as part of the next year's review.

The Completion Process provides the detailed stages of the Annual Assessment. The Chief Executive, Statutory Officers, other Directors, Internal Audit and managers across the authority all have a role to play in this assessment. The overall assurance given is not a pass

or fail. It is a narrative statement pointing to the Council's strengths and weaknesses and any areas for improvement.

Principles Adopted

Completion of the statement should flow from the normal business planning, review and reporting processes of the Council, its Governance Committee and the planned work of Internal Audit.

The Business Plan is one of the central mechanisms for each Head of Service managing their own area of activity and therefore sits at the centre of the Corporate Governance process.

Corporate Governance uses existing documents, procedures and frameworks. It also links to performance and risk reporting as poor service performance can reflect a failure of governance.

Effective internal controls are an important part of the Corporate Governance process. Through their audit assurance work, internal audit will provide an opinion on the effectiveness of the systems of internal control.

Preparation of the Annual Governance Statement

Data is collected throughout the year, including where relevant supporting documents. The action plan is prepared and monitored.

The opinion provided by the Director of Environment and Place (Deputy Chief Executive) on the level of assurance that the governance arrangements provide and the Statement that the Leader and Chief Executive sign will be compiled from the evidence held:

Internal Control Opinion

- An Assurance Statement from the Head of the Audit Partnership. This is compiled from the Internal Audit review of this Council's Corporate Governance arrangements.
- The Director of Environment and Place (Deputy Chief Executive), the Monitoring Officer, the Director of Housing, Finance and Assets and the Head of Finance and Investment (S151 Officer) will review the internal control opinion and framework evidence, including service assurance statements, the audit review of Corporate Governance, the Constitutional review, Performance reporting, Risk management arrangements and the individual audit and risk management assessments.

Governance and Internal Control

- Comment and recommendations from the Director of Environment and Place (Deputy Chief Executive), Director of Housing, Finance and Assets, Head of Finance and Investment (Section 151 Officer) and the Solicitor to the Council and Monitoring Officer, who have responsibility for overseeing the operation of the Governance Framework and the Corporate Governance Local Code.
- The Director of Environment and Place (Deputy Chief Executive) review of the Council's performance against the Governance Framework.

- The Director of Environment and Place (Deputy Chief Executive) and the Director of Housing, Finance and Assets review of the Effectiveness of Internal Audit.
- Confirmation from all Directors via a Service Assurance Statement that:
 - Risks have been identified. They are recorded and monitored in accordance with the Council's Risk Management Strategy.
 - Staff are fully aware of the requirements of their job, and have access to the appropriate Council rules and policies to assist them.
 - Internal and External Audit reports and recommendations have been acted on.
 - Reports from other review agencies have been acted on.
 - Business arrangements are conducted in accordance with the law and proper standards.
 - Public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
 - The service has in place appropriate management and reporting arrangements to enable it to satisfy itself that its approach to Corporate Governance is both adequate and effective.
 - A statement of assurance that improvement plans exist to rectify any acknowledged deficiency.
- The Solicitor to the Council and Monitoring Officer's annual review of the Constitution.
- The Solicitor to the Council's annual statement giving their opinion on the Council's compliance with relevant laws and regulations, and its legal obligations and requirements.
- The Head of Paid Service annual statement giving their opinion on officers' compliance with the seven general principles of good conduct.
- The Director of Environment and Place (Deputy Chief Executive) annual statement giving their opinion on compliance with the Council's Risk Management Strategy.
- The Head of Shared Services annual statement giving their opinion of the Robustness of IT Systems.

Other processes and reviews

- Confirmation that Council policies are fully implemented.
- The annual Constitutional review has been undertaken.
- Checking that Council values and ethical standards are met.
- Ensuring Laws and regulations are complied with
- Publishing financial statements and performance information accurately and reliably.
- Confirmation that resources are managed efficiently and effectively.

- The External Auditor's Annual Audit and Inspection Letter, service assessments and other associated reviews.
- Confirmation that internal reviews are undertaken and findings are acted upon.
- Performance Reporting being seen to drive improvement.
- The Director of Environment and Place (Deputy Chief Executive), the Director of Housing, Finance and Assets and the Head of Finance and Inward Investment (Section 151 Officer) will prepare a Draft Annual Governance Assurance Statement which will be considered by Corporate Management Team and Cabinet who will provide the final review, evaluation and approval.
- The Governance Committee, acting as the Audit Committee will monitor the overall governance process and ensure that the process is robust and agreed actions identified are properly implemented.
- The final statements will then be signed by the Leader and Chief Executive based on a clear evidence trail.

On-going monitoring and review is co-ordinated by the Director of Environment and Place (Deputy Chief Executive)

- The contents of this code will be reviewed annually alongside the Annual Governance Assurance Statement and will be kept up to date in the light of changing circumstances. The Director of Environment and Place (Deputy Chief Executive) will maintain the documentation but Members and Officers must own the whole process.
- In addition, review and monitoring will be undertaken during the course of the year. This will be co-ordinated by the Director of Environment and Place (Deputy Chief Executive) and includes:
 - Monitoring the Corporate Governance arrangements and recommended courses of action by the Section 151 Officer and the Solicitor to the Council and Monitoring Officer.
 - Internal Audit review of Corporate Governance arrangements and auditable activities identified through risk based audit plans.
 - Ensuring management ownership for the delivery of agreed objectives, within a Corporate Governance Framework, whilst managing effectively their identified opportunities and risks.
 - Performance measurement of governance arrangements through the collection of Governance data on the Performance Management System.
 - Performance measurement of key objectives and associated risks using agreed key and local performance indicators.
 - On-going review of Risk Management arrangements and recommended courses of action by the Head of Corporate Services, Section 151 Officer and Head of the Audit Partnership.

- On-going monitoring and review of compliance with the Seven Principles of Conduct by the Solicitor to the Council and Monitoring Officer, [Head of Human Resources, Payroll and Corporate Communications](#), Head of Corporate Services and Democracy and the Governance Committee.
- Ad hoc reviews initiated by the Chief Executive and/or Directors.
- Planned service reviews through a rolling programme of review.
- External Audit review of Corporate Governance arrangements and other auditable activities.
- The External Auditors will inspect the Annual Governance Assurance Statement, the evidence and position statements that support the statement, the risk management process and this Council's overall Corporate Governance arrangements.
- Mid-year updates are given to Governance Committee on progress in implementing actions identified in the annual statement.

The Director of Environment and Place (Deputy Chief Executive), the Director of Housing, Finance and Assets, the Head of Finance and Investment (Section 151 Officer) and Solicitor to the Council and Monitoring Officer have responsibility for overseeing the implementation and monitoring of the operation of the Local Code. The Head of the Audit Partnership has been given the responsibility for periodically reviewing the arrangements. Each of these officers also contributes to the annual assessment process and a clear separation of duties is required for these complementing but distinct roles.

Disagreements and differing opinions on the areas of non-compliance will be included within the assurance statement. They will be discussed and wherever possible agreement will be reached between signatories. An important part of the process is to develop an Action Plan to address any significant internal control issues disclosed in the statement. If agreement is not reached the Chief Executive and Leader will ultimately determine what is included, after taking advice as appropriate from the Section 151 Officer, Solicitor to the Council and Monitoring Officer and Head of the Audit Partnership.

EXAMPLE DIRECTOR'S STATEMENT - Dover District Council – Annual Governance Process

Director's Assurance Statement

The Council is required by law to include with the final accounts an Annual Governance Assurance Statement (AGAS). This statement also forms part of the Annual Governance Process.

The statement is intended to demonstrate to the public that the Council has sound governance arrangements in place including a sound system of internal control, designed to help manage and control business risk. It is considered to be an important way to demonstrate that the Council has good business practices in place, high standards of conduct and sound governance. It links to all the principles of good governance.

In support of the AGAS all Directors are required to complete, certify and return a statement of corporate responsibility. It is acknowledged that your divisions and their systems and processes can provide only reasonable and not absolute assurance that all risks have been identified, all assets safeguarded, all transactions properly authorised and recorded, and all material errors or irregularities either prevented or detected within a timely period.

The statement attached should therefore be completed 'to the best of your knowledge' and formally agreed with your Portfolio Holder.

Please return the certified statements, preferably in electronic format

Please ensure that the form is also signed by the relevant Portfolio Holder.

It is advised that you also keep securely a copy of 'the statement' made, together with a file of documentary evidence where possible. It is likely that the External Auditors will make further enquiries in connection with how the statement can be supported.

Thank you for your assistance.

Louise May
Director of Environment and Place (Deputy Chief Executive)

Mike Davis

Director of Housing, Finance and Assets

Question	Agreement Yes/No	Examples and Exceptions
In my department risks have been identified. They are recorded and monitored in accordance with the Councils Risk Management Strategy.		
Staff are fully aware of the requirements of their job, and have access to the appropriate Council rules and policies to assist them.		
The department has appropriate management and staff to enable objectives to be delivered. Performance is reviewed regularly.		
Resources at my disposal are used to achieve the Council's objectives. The level of resource is reviewed regularly.		
Suitable controls are in place to protect the Council's assets.		
Internal and External Audit reports and recommendations have been acted on. Reports from other review agencies have been acted on.		
Business arrangements are conducted in accordance with the law and proper standards		
The service has in place appropriate management and reporting arrangements to ensure effective Governance.		
Improvement plans exist to rectify deficiencies.		
Key performance targets and indicators are linked to the Corporate Plan.		

FINANCIAL STATEMENT

This statement is given in respect of the Council's (insert year) final accounts and refers to the state of my Division's operations up to the date of signature.

The information provided is given to the best of my knowledge in connection with the service areas for which I have responsibility. I have made appropriate enquiries with other officials of the Council and of information systems and records maintained and can confirm the following statements as detailed in the column below headed 'Accounts – Financial and Legal Implications'. However, where I am aware of such circumstances, I am able to provide further relevant information in the column headed 'Details and Action Plan':

Accounts - Financial and Legal Implications	Confirmation (Yes /No) and Evidence	Details and Any Actions Planned
In my division there are no contingent liabilities (see footnote 1 below) that are likely to have a significant effect on the finances or operations of the Council.		
In my division, there are no instances of non-compliance with laws or regulations that are likely to have a significant effect on the finances or operations of the Council.		
In my division, there are no post balance sheet events (see footnote 2 below) that have occurred that are likely to have a significant effect on the finances or operations of the Council.		
In my division, there are no pending claims, proceedings or litigation that are likely to have a significant effect on the finances or operations of the Council.		
In my division, there are no other significant transactions with related parties other than those already disclosed.		
In my division, there are no instances of known error, irregularity, including fraud, which are likely to have a significant effect on the finances or operations of the Council.		

Footnotes:

1. A contingent liability is in effect a possible obligation at the balance sheet date arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events which may not be within the Council's control
2. A post-balance sheet event is an event, both favourable and unfavourable, which occurs between the balance sheet date and the date on which the financial statements are approved by the Council.

Certified by, Signature:	
Name:	
Designation:	
Date:	

Risk Management

Introduction

INTRODUCTION

The Corporate Management Team and Councillors of Dover District Council are committed to effective risk and opportunity management as part of everyday service delivery and decision-making. Risk management is an integral and vital part of good governance and corporate management. This includes fostering a culture where integrity, objectivity, accountability, and transparency is embraced by Members and Officers alike in the identification, assessment and management of risks and where constructive challenge, collaboration and consultation are championed.

The Council's risk management framework harnesses the activities that identify and manage uncertainty. It allows the Council to identify, evaluate and manage risks, not simply avoid them, and provides a framework to anticipate and prepare for successful outcomes. It is a key element of the framework of governance.

Accordingly, the Council is not averse to taking a degree of calculated risk, but it will always exercise a prudent approach to risk taking and decisions will be made within the parameters of the Council's internal control arrangements. The Financial and Contract Procedure Rules are particularly important in ensuring that the Council does not expose itself to financial risks above an acceptable level.

“In successful organisations, risk management enhances strategic planning and prioritisation, assists in achieving objectives and strengthens the ability to be agile to respond to the challenges faced. If we are serious about meeting objectives successfully, improving service delivery and achieving value for money, risk management must be an essential and integral part of planning and decision-making.”

The Orange Book - Management of Risk – Principles and Concepts, HM Government, 2020

DEFINITIONS

What is Risk?

Risk is commonly held to mean a 'danger' or 'threat' and is something to be avoided. While there is an element of this in every 'risk' there is equally a potential 'opportunity' to be seized if successfully managed.

Maintaining and improving public services requires innovation and a willingness to seize new opportunities and manage the risks involved. In this context risk is more appropriately considered as an uncertainty of outcome, whether positive opportunity or negative threat of actions and events. It is the combination of likelihood and impact.

What is Risk Management?

Risk Management is the culture, processes and structures that are directed towards effective management of potential threats, and potential opportunities, to the Council achieving its objectives.

This strategy is intended to reaffirm and improve effective Risk Management within the Council by building on the existing foundation of good practice, ensuring comply with best practice and, in doing so, effectively managing potential opportunities and threats to the Council and its corporate priorities.

What is the Corporate Plan?

The Corporate Plan is a document that sets out the Council's future priorities and objectives. It provides a focus for the Council to work to and a framework for evaluating the Council's performance. Elements of the priorities in the Corporate Plan are likely to feature in the Corporate Risk Register.

What are Business Plans?

The individual sections of the Council will have business plans that set out how that section will deliver on its key corporate priorities, the risks that may prevent it from doing so, and the performance indicators that will measure success. The priorities in the business plan will reflect those in the Council's Corporate Plan.

What is the Risk Register?

This risk register records the risks and opportunities that may affect the delivery of the Corporate Plan. It will contain details such as the risk category, a brief description of the risk, the likelihood of its occurrence and the impact it may have.

Types of Risk?

Risk is defined as anything that may have an impact on the Council's ability to achieve its objectives. The risks can be internal, external, corporate (also known as strategic) or those arising from major projects. Risk can be categorised for recording purposes under the following headings:

- Strategic (corporate)
- Operational (departmental)
- Partnership
- Project

What are Corporate (Strategic) Risks?

Strategic risks affect or are created by the Council's business strategy and strategic objectives. They can be defined as the uncertainties and untapped opportunities embedded in strategic intent and how well they are executed. As such, they are key matters for the Council's Corporate Management Team (CMT) and impinge on the whole organisation, rather than just an isolated department. Inclusion of a risk in the Strategic Risk Register indicates that it is one of a number of risks that the Council, both corporate and elected leadership, need to be aware of and ensure appropriate management arrangements are in place to manage and mitigate them.

What are Operational Risks?

Operational risk is defined as the risk of loss resulting from inadequate or failed processes, people, and systems or from external events. Operational risks are usually departmental based and should link to each area's service planning.

What is Partnership & Project Risks?

Dover District Council works with a range of partners to deliver services. It is important that those partners are brought into the risk management framework to ensure that risks to the Council are not overlooked. Risks are identified and addressed in formal partnership agreements and contracts as appropriate. The primary risks are:

- Financial – failure to understand the potential financial liabilities associated with partnership arrangements.
- Reputational – loss of public confidence.
- Contractual – contract requirements not delivered.
- Legal – failure to understand the potential legal liabilities associated with partnership arrangements.
- Service failure – the associated risk of increased costs.

Dover District Council will also have a number of major projects that require risk management. These projects will have inherent risks and opportunities. Where the project poses a significant risk or is of strategic importance to the delivery of the Corporate Plan an overall risk should be identified within the corporate risk register. The project itself should have a project risk register that is managed by the Project lead/ Project Sponsor. The project risk register will typically be compiled by holding workshops with the key stakeholders. The initial risk register will be signed off by the appropriate Project Board and then reported to them on an exceptional basis via the normal project highlight reports. These risks will also be considered by the Cabinet when making decisions related to the project.

Who are the Corporate Management Team?

The Council's Corporate Management Team consists of the Chief Executive and the Directors. These are the Director of Environment and Place (Deputy Chief Executive) and the Director of Housing, Finance and Assets.

What is Risk Appetite?

Risk Appetite is the amount of risk that the Council is willing to accept in pursuit of its objectives. It is in effect an organisation's willingness to engage in 'risk taking' and is closely linked to Risk Tolerance.

What is Risk Tolerance?

Risk Tolerance in essence sets the limits of risk taking that the Council will not exceed in pursuit of its objectives. It is about 'controlling risk' and is closely linked to Risk Appetite.

What are Categories of Risk?

The categories of risk, also known as the Risk Taxonomy, are a comprehensive, common and stable set of risk categories that are used within an organisation.

What is Risk Treatment?

The process of deciding how to manage a risk once it has been identified (transfer, tolerate, terminate, treat, or take).

What is the Corporate (Strategic) Risk Register?

The Corporate Risk Register will comprise the identified corporate and key project risks of the Council.

What is meant by the Risk Owner?

The risk owner is the officer responsible for recording, managing, mitigating, and monitoring the risk.

RISK MANAGEMENT OBJECTIVES

Dover District Council acknowledges that it is exposed to a very wide range of risks and opportunities in its service delivery. The Council recognises that it has a responsibility to identify, evaluate and manage risk whilst still creating a positive climate for innovation.

The Council therefore supports a structured approach to negative risk (threats) and positive risk (opportunities) management through its Corporate Risk Management Strategy, the aims, and objectives of which are described below.

1. 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.
2. 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.
3. Establish a standard systematic approach to risk identification, analysis, control, monitoring and reviewing.
4. Provide a robust and transparent framework for managing risk and supporting decision-making.
5. Manage and mitigate project risks.
6. 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.
7. Anticipate and prevent injury, damage and losses through effective risk management and reduce the cost of risk.
8. Ensure that the Council continues to meet all statutory requirements in relation to risk management.
9. Anticipate and respond to changing social, economic, political, environmental, legislative, and technological requirements.

BENEFITS OF GOOD RISK MANAGEMENT

The integration of risk, and opportunity, management into the corporate culture and working practices of the Council and its partnerships has numerous benefits, which include:

Improved Strategic Management

- Protecting and adding value to the Council and its stakeholders by supporting the achievement of the Council's vision and corporate priorities
- Improved delivery against the Council's corporate objectives and targets
- Improved decision making, planning and prioritisation through a comprehensive and structured understanding of activity and volatility.
- Mitigation of key threats and taking advantage of key opportunities.
- Protecting and enhancing assets and reputation.
- Promotion of innovation and change.
- Ensures the Council's approach is aligned to best practice.

Improved Operational Management

- Contributing to more efficient use of resources within the Council and its partners.
- Greater operational resilience by having plans in place to mitigate and respond to risks when they occur.
- Satisfying Corporate, Member and partner organisations expectations on the Council's internal controls.

Improved Financial Management

- Optimising operational efficiency and therefore delivering efficiency gains and value for money
- Reducing the chance of unexpected financial risks arising.

Improved Customer Service

- Improved customer service delivery.
- Reduced chance of service disruption to our residents.

Enhanced Corporate Governance

- Risk Management is essential to effective corporate governance. Key risks are included in the Annual Governance Assurance Statement which is published alongside the Statement of Accounts.

RISK MANAGEMENT APPROACH

The Council continues to embed the process and raise awareness of the importance of good risk management. The Council's Risk Management objectives will be achieved by:

- Assigning ownership and responsibility for each identified risk in the Council's Risk Register.
- Regularly reviewing and updating risks identified in the Council's Risk Register.
- Incorporating risk management considerations into all levels of business planning.
- Providing opportunities for shared learning on risk management across the Council.
- Integrate risk management into the culture of the Council as part of the everyday work.
- Monitoring of arrangements, at all levels, on an on-going basis by management.
- Provide training as necessary.

Risk management is an important part of the service planning process. This will enable strategic, operational, and cross cutting risks and opportunities, as well as the accumulation of risks and opportunities from a number of areas to be properly considered.

FRAMEWORK

The Council maintains the Strategic Risk Register of significant risks that impact the aims and objectives of the Council. These are risks, which can be both internal and external, will potentially hinder or stop successful achievement of corporate priorities and aims. These are generally but not exclusively of a medium to long-term nature.

Operational Risk are recorded by services in their Business Plans. These are risks affecting the day-to-day operation of a specific service or project.

Both registers detail the following:

- The nature of the risk and the potential consequences of the risk identified, both negative (risks and threats) and positive (opportunities).
- The potential impact and likelihood of the risk identified.
- The controls in place to mitigate the risks.

Daily operational risks will only become Strategic risks if there is a major failure in the internal control systems and processes are in place that will then escalate a problem organisation wide.

Risk ownership can be broadly broken down as follows:

- The Strategic Risk Register is owned by the Corporate Management Team.
- Business Plans (effectively operational risk registers) are maintained by the relevant Head of Service and Service Manager, reporting to their Director.
- Project Risk Registers are owned by the Project Manager and the Project Sponsor.

ROLES AND RESPONSIBILITIES

The Council will establish clear roles, responsibilities, and reporting lines within the Council for risk management. This will include:

- Corporate Management Team will review the Strategic Risk Register on a quarterly basis.
- Directors and Heads of Service will identify risks arising from and within partnerships and other joint working arrangements.
- Project managers will identify risks linked to their project's objectives and delivery.
- Members will be kept informed of Strategic and Project Risks.

Members

- The Governance Committee has specific responsibility included in its terms of reference for providing independent assurance on the adequacy of the control and risk management framework and the associated control environment.
- The Governance Committee also has responsibility for the independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment.
- The quarterly Strategic Performance Dashboard will inform the Cabinet and the Overview and Scrutiny Committee of the key strategic risks. The Overview and Scrutiny Committee has responsibility for the independent scrutiny of the Council's financial and non-financial performance.

Corporate Management Team

- The Corporate Management Team is responsible for identifying key risks as part of their strategic responsibilities.
- The Head of Corporate Services and Democracy, in consultation with the Director (Corporate and Regulatory), will undertake an annual strategic risk review to be reported to the Governance Committee.
- The Director of Environment and Place (Deputy Chief Executive), supported by the Head of Corporate Services and Democracy, has overall responsibility for ensuring the agreed level of risk management is undertaken.

Head of Service and Managers

- Heads of Service and Managers in conjunction with members of their teams and other parties/partners (where applicable), will review and monitor operational, project and strategic risks relating to their services.

All Staff

- Staff will be expected in the first instance, to refer risk management concerns to their line managers. Should such concerns remain outstanding, then employees can refer their concerns elsewhere as prescribed in the Council's Whistleblowing Policy.

Insurance

The Head of Corporate Services and Democracy will:

- Ensure that a regular review of the Council's insurance requirements and arrangements is conducted and arrange insurance cover as necessary.
- Annually review the adequacy of the Council's internal insurance provisions and advise the Director of Environment and Place on action to be taken.
- The Corporate Services Team will advise Officers and Members on insurance cover available and/or in place and advise Officers on claims procedures, and process claims arising.
- The Corporate Services Team will assist in the development and provision of claims data to aid future risk control.

RISK MANAGEMENT PROCESS

Overview

Risk should not be considered solely as a threat but also as an opportunity. An effective approach to risk and opportunity management should assist the Council in achieving the best outcomes and meeting its corporate objectives.

The approach adopted to risk management by the Council has been developed with the following points in mind:

- Where possible risk management should complement the Council's existing corporate and governance management processes rather than creating parallel processes.
- Risk management needs to be flexible while adhering to key principles.
- The process should provide for a proportionate rigour in identifying and analysing risk but avoid becoming overly burdensome. It should minimise the use of jargon where possible or clearly define terms where it is not possible.
- Risks must be continually monitored and managed as they will change with time, as the situation changes and as we take measures to manage the risk.

Risk Management Process

The Council's Risk Management Process is a six-stage approach as follows:



1. ESTABLISH OBJECTIVES

The risk owner will need to consider the following points to establish the objectives:

- What are you seeking to achieve?
- When are you seeking to achieve it?
- Who is responsible for achieving it?

This includes understanding what the Council wants to achieve and the resources it has available – in both capacity and capability – to deliver. The Council has set out its corporate objectives in the Corporate Plan.

The aim is to ensure that risk management supports the objectives of the Council. This link between Council objectives, through departmental or service objectives supported by risk management practices is called the 'Golden Thread'. When everyone at the Council is pulling in the same direction, the Council will have a much greater chance of being able to achieve its objectives.

Clarifying objectives will allow a greater understanding of what will stop the achievement of those objectives and what opportunities need to be grasped to meet the objective. Setting objectives clearly will also reveal links to internal and external stakeholders that will need to be relied upon as well as other external factors that will impact objectives.

The starting point for the management of risks and opportunities should be the Corporate Plan, Business Plans, Project Plans and the objectives and strategies that underpin them.

Depending on the area under consideration, the relevant objectives and outcomes may already be detailed in existing documents.

2. IDENTIFY RISKS

The first step in identifying risks is to establish the context by looking at what it is the Council is trying to achieve and the proposed outcomes.

The risks identified must be described in clear terms that can easily be understood and must specify what the tangible risk is. The description of the risk should help determine how the risk will be managed and treated.

To identify potential risks, the risk owner may need to:

- Undertake a risk assessment exercise.
- Research and consider the risks that have affected others. This can also involve keeping up to date with new local, national, and international policies, legislation, and events.
- Measuring current and historical performance and identifying weaknesses.
- Review relevant reports about Council services including those issued by internal and external auditors.

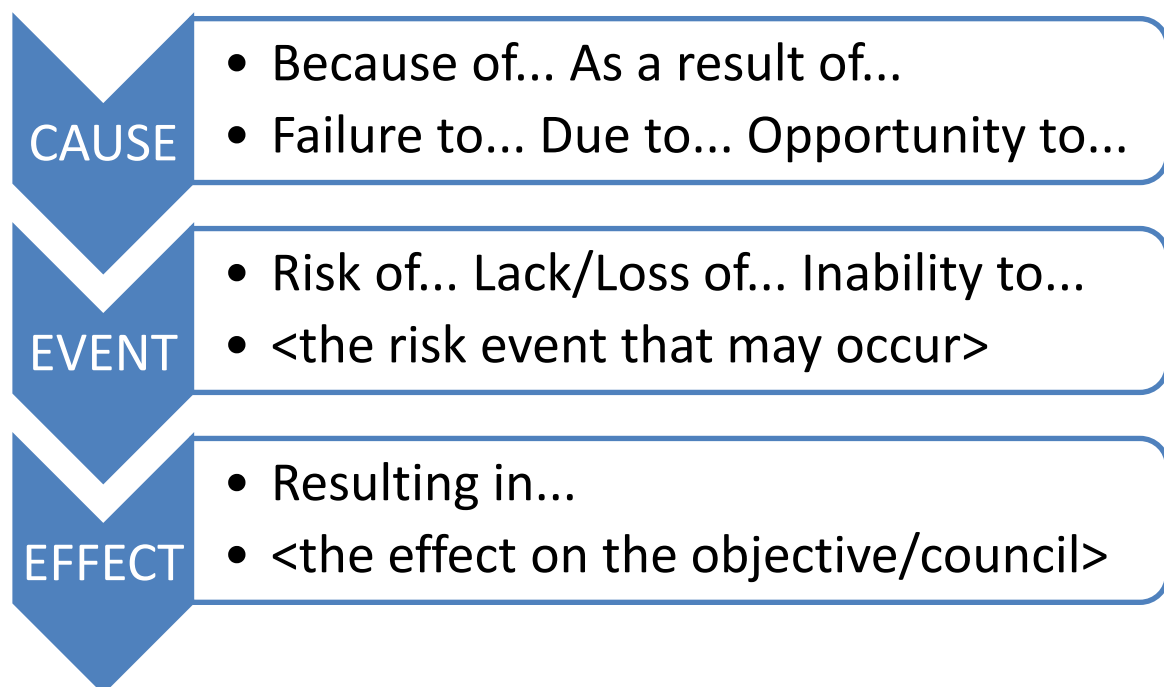
In identifying risks, consideration needs to be given to both internal and external risks.

- Internal risks are those faced by the Council from within the organisation. They arise from routine day-to-day activities such as managing staff, safeguarding, health and safety, financial challenges, legal risks, operating IT systems, etc.
- External risks are those that arise from outside the Council but may still have an adverse impact on its activities. For example, the failure of a partner organisation, a major cyber-attack, extreme weather conditions or adverse national economic conditions. External risks are harder to manage as the Council has less control over whether they occur.

Examples of Potential Categories of Risk/Opportunity

- | | | |
|-----------------------|--------------------------|--------------------|
| • Business continuity | • Information Management | • Reputational |
| • Climate change | • Legal & Regulatory | • Safeguarding |
| • Contractual | • Operational | • Security |
| • Economic | • Partnerships | • Service delivery |
| • Environmental | • Physical assets | • Social/Community |
| • Finance | • Political | • Staffing |
| • Fraud | • Projects | • Technology |
| • Health & Safety | | • Transformational |

Risks should generally be described in a couple of sentences, explaining the risk through Cause, Event and Effect. In instances where there are multiple risks attached to an objective, they should be described individually.



Two examples of this being applied to risks are as follows:

The **FAILURE TO** maintain effective Corporate Governance arrangements for complaints due to management issues, (e.g., poor record keeping; failure to resolve issues or meet procedural deadlines) could lead to a **RISK OF** findings of

maladministration from the Ombudsman **RESULTING IN** reputational damage and increased costs through awards of compensation from the Ombudsman.

The **OPPORTUNITY TO** increase the levels of inward investment as part of the growth agenda could be missed due to a **RISK OF** pressures on officer resourcing leading to being unable meet the deadlines for decisions **RESULTING IN** a failure to maintain the growth agenda along with the Council's financial base.

The risk description may include additional information if it is considered necessary to accurately describe the risk.

The intention is that this approach will generate a structured, comprehensive, and easy to understand list that is relevant to Corporate Management Team, Heads of Service, Managers and Members and all staff alike. These risks will reflect corporate objectives, business plans and associated projects.

3. ANALYSE AND EVALUATE

The aim of risk analysis is to build an understanding of the nature of risk and its characteristics including, wherever possible, the level of risk. It involves consideration of uncertainties, risk sources, consequences, likelihood, events, scenarios, controls, and their effectiveness.

Risk Analysis considers factors such as:

- the likelihood of events and consequences occurring
- the type and scale of consequences
- time-related factors
- the effectiveness of existing controls
- sensitivity and confidence levels

As part of the risk analysis, an assessment will be undertaken of the (a) likelihood of the risk occurring and (b) the impact of the risk should it occur.

The assessment will look at eight areas of risk and score each of them based on the likelihood and impact of each. **The assessment should only take into consideration any actions or measures which are already in place when the risk or opportunity is identified but not new mitigation measures specifically taken following the identification of the risk. Any new mitigation measures will be addressed with at the next stage of the process.**

The eight areas of risk to be considered and scored (the risk categories also known as the risk taxonomy) are as follows:

- Environmental
- Financial
- Health & Safety
- Legal & Regulatory (including information management and security)
- Partner Relationship
- Reputational
- Service Delivery

- Community Impact

The probability of the risk occurring is considered as one of five levels:

- Rare (least likely)
- Unlikely
- Possible
- Likely
- Very Likely (most likely)

The impact of the risk should it occur is considered as one of five levels:

- Minimal (lowest impact)
- Minor
- Moderate
- Major
- Critical (highest impact)

A guide to assessing each of these criteria is set out in the next three pages.

The result of the assessment will be a score between 1 (lowest risk) and 25 (highest risk) on the 5 x 5 scoring matrix for each of the eight areas, with the highest individual score from the eight areas of risk being the score assigned to the overall risk. A higher numerical score indicates a higher level of risk. This will give the '**Inherent Risk Score**' – the current level of risk faced by the Council. The individual scores for the eight areas of risk and the Inherent Risk Score are recorded on the risk template as per the attached risk toolkit.

	SCORE	RISK LEVEL	ENVIRONMENTAL	FINANCIAL	HEALTH & SAFETY	LEGAL & REGULATORY
IMPACT	1	MINIMAL	Localised incident - would be dealt with immediately with no lasting detrimental effects	Financial impact manageable (and less than £10,000)	Minor Incident – no lost time First aid level injuries	Legal or Regulatory action unlikely – breaches of procedures or non-reportable matter
	2	MINOR	Minor impact with short-term contamination or effect	Financial impact of between £10,000 - £49,999	Medical treatment required, potential short-term injury or sickness	Corporate complaint likely but Legal or Regulatory action unlikely – may need self-reporting to a Regulator
	3	MODERATE	Short term public health or environmental incident (weeks)	Financial impact of between £50,000 - £249,999	Medical treatment required, long-term injuries or sickness	Legal or Regulatory action possible - breaches of law punishable by fines
	4	MAJOR	Long term major public health or environmental incident (1 year or more)	Financial impact of between £250,000 - £500,000	Medical treatment required, significant permanent or long-term injury	Breaches of law punishable by imprisonment or significant fines
	5	CRITICAL	Permanent, major environmental or public health damage	Financial impact of over £500,000	Threat to Life	Potentially significant prosecution or fines

	SCORE	RISK LEVEL	PARTNER RELATIONSHIP	REPUTATIONAL	SERVICE DELIVERY	COMMUNITY IMPACT
IMPACT	1	MINIMAL	No impact to partnership relationships	Unlikely to cause adverse publicity	Service disruption up to 1 day	Minimal or no impact
	2	MINOR	Difficulty in aligning strategies with a partner to support objective	Local interest – minor adverse local or industry publicity	Marginal reduction in performance. Service disrupted or stopped for 1-2 days	Minor community impact or specific vulnerable group(s)
	3	MODERATE	Difficulty in aligning strategies with a partner to support collaborative working	Adverse national publicity or significant adverse local publicity	Unsatisfactory performance. Service disrupted or stopped for 2 - 3 days	Moderate impact on community or specific vulnerable group(s)
	4	MAJOR	Unable to reach an agreement with a partner leading to termination of a project and/or deterioration of working relationship	Significant adverse national publicity	Failure to deliver Council priorities. Disruption for 5 Days or more	Major impact on community or specific vulnerable group(s)
	5	CRITICAL	Unable to reach an agreement with a key partner leading to non-delivery of a key objective and/or relationship with a key partner severely damaged	Sustained negative national publicity	An on-going failure to provide an adequate service	A significant and on-going impact on community or specific vulnerable group(s)

	SCORE	RISK LEVEL	PROBABILITY	DESCRIPTION
PROBABILITY	1	Rare	0 – 10%	It may not apply or is highly unlikely to occur under normal circumstances but may in exceptional circumstances. For example, a 1 in 100 years event has a 1% chance of occurring each year.
	2	Unlikely	10 – 25%	Not expected to happen but there is a low possibility it may occur.
	3	Possible	25 – 50%	The event could occur in certain circumstances. It may have occurred elsewhere in similar organisations or previously at the Council.
	4	Likely	50 – 80%	The event will probably occur in most circumstances. However, it may not be a persistent issue.
	5	Very Likely	80 – 100%	This is very likely to occur in most circumstances, probably imminently and/or frequently. This includes frequent/Imminent near misses. There may be a history of very frequent occurrences (annually or more frequently) at the council or at similar or partner organisations.

RISK TABLE

Having identified the probability and impact of risk in a category, a 5 x 5 scoring matrix is used to carry out the overall assessment to ensure that the risks are rated in a consistent way.

PROBABILITY x IMPACT = RISK SCORE

PROBABILITY	Very Likely (5)	5	10	15	20	25
	Likely (4)	4	8	12	16	20
	Possible (3)	3	6	9	12	15
	Unlikely (2)	2	4	6	8	10
	Rare (1)	1	2	3	4	5
		Minimal (1)	Minor (2)	Moderate (3)	Major (4)	Critical (5)
	IMPACT					

4. MITIGATE AND MANAGE

Having identified the level of 'Inherent Risk' involved, the risk owner must next consider what mitigation measures can be taken to reduce the risk to a level that the Council is willing to accept in pursuit of its goals. This does not necessarily mean that the risk in each area will be managed and mitigated down to zero risk. The level of tolerable risk will depend on the Council's level of risk appetite.

Colour	Inherent Risk Score	Action	Risk Control (See below)
RED	15 - 25	Usually considered to be an unacceptable risk. An Immediate decision must be taken – in most circumstances this should be to mitigate and manage the risk and several control measures may be required. However, for some risks a decision to Tolerate the risk may be agreed by the Corporate Management Team.	All options should be considered. Treat, Transfer or Terminate. Tolerate (if agreed by the Corporate Management Team)
AMBER	10 - 14	Not normally an acceptable risk. Efforts must be made to reduce or remove the risk within a specified timescale. Determine the need for improved control measures.	Treat or Transfer.
YELLOW	5 - 9	A risk at this level may be acceptable. Efforts should still be made to reduce the risk, provided this is not disproportionate. If not acceptable depending on the Council's level of risk appetite. Existing controls should be monitored or adjusted.	Tolerate/Accept or Treat and Control
GREEN	2 - 4	An acceptable risk in most situations. If opportunities arise to mitigate the risk further, they should be considered. However, further action or additional controls may not be required. Risk at this level should be monitored and reassessed at appropriate intervals.	Tolerate/Accept or Treat and Control.
PALE GREEN	1	An acceptable risk. No further action or additional controls are normally required. Risk at this level should be monitored and reassessed at appropriate intervals.	Tolerate/Accept

Identifying and ranking risks is important, but the key element thereafter is to determine the strategy for managing them. The table provides guidance on the level of management intervention that is likely to be necessary or appropriate.

In re-assessing the risks, the risk owner should consider which of the eight risk factors drove the original assessment that resulted in the Inherent Risk Score. Was the impact most severe in financial terms? Or reputational terms? Consideration should be given to where action can be most efficiently taken to reduce the score of the risk, not forgetting that it is often preventative measures that limit the probability of a risk becoming an event that are the most effective.

In determining the potential management and mitigation measures consideration should be given to the level of risk appetite and the options for risk control.

Risk Appetite

The level of acceptable risk is known as 'risk appetite'. It is strategic and reflects the organisation's risk management philosophy, and in turn influences the organisation's culture and operating style. Risk appetite guides resource allocation and provides the governance framework necessary to effectively respond to and monitor risks.

The appetite for risk can be:

- **Averse** - Preference for safe business delivery options that have a low degree of inherent risk and only a potential for limited reward.

Risks affecting health and safety and legal and regulatory issues would normally be considered areas where the Council's appetite for risk is to be risk adverse.

- **Cautious** - Preference for safe delivery options that have a medium degree of residual risk and may only have limited potential for reward.

Risks affecting environmental and financial issues would normally be considered areas where the Council's appetite for risk is to be risk cautious.

- **Aware** - Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing a good level of reward.

- **Hungry** - Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

The acceptance of risk is subject to ensuring that all potential benefits and risks are fully understood and that appropriate measures to mitigate risk are established before final decisions are made. The Council recognises that the appetite for risk will vary according to the activity undertaken and hence different appetites and tolerances to each risk will apply.

The Council should always seek to minimise exposure to compliance, regulation/governance, safeguarding, and reputational risk, whilst accepting and encouraging a calculated degree of risk in other areas in pursuit of the Council's strategic objectives.

Risk Control

The Council has several options available to it in considering the controls that can be applied. Not all of these will be suitable actions depending on the level of risk and the category of risk involved.

TOLERATE This means accepting the likelihood and consequences of a risk occurring. This should only be considered as an option if the risk is within the risk appetite of the organisation, which is to say if it is rated PALE GREEN, GREEN, YELLOW.

AMBER risks would not normally be considered an acceptable risk to be tolerated. However, there may be specific circumstances where the Corporate Management Team deem it acceptable to do so on a case-by-case basis.

RED risks are beyond the risk tolerance of the organisation. All options should be considered to mitigate the risk. However, there may be exceptional circumstances, which must be agreed by the Corporate Management Team, where the risk will be tolerated.

For clarity, “tolerate” does not mean that no action should be taken. A tolerated risks must still be monitored, and contingency plans should be put in place, in case the risks occur. If opportunities to mitigate the risk further are available, they should always be considered.

The Council may decide to tolerate a risk/opportunity where for example:

- The risk opens up greater benefits.
- The risk is already effectively mitigated by controls, even if it is high risk.
- The risk cannot be mitigated cost-effectively (i.e., the cost of mitigating it would be greater than the cost of the risk materialising)

TREAT This is the most widely used approach. The purpose of treating a risk is to continue with the activity which gives rise to the risk, but to bring the risk to an acceptable level by taking action to control it through either containment actions (which lessen the likelihood or consequences of a risk and are applied before the risk materialises) or contingency actions (these are put into action after the risk has happened, reducing the impact, and must be pre-planned). Taking management action is the main difference between ‘treat’ and ‘tolerate’.

TRANSFER This means shifting the risk, in whole or part, to a third party. This option is particularly good for mitigating financial risks, or risks to assets. This could be achieved, by example, by seeking insurance to cap financial losses at a certain level or by seeking partners for a project and so sharing the risk.

TERMINATE Doing things differently and therefore removing the risk. This means stopping the activity which gives rise to the risk. This will not always be possible as the Council must deliver some specific services by law but will often be an option when considering a new project or opportunity.

RESIDUAL RISK SCORE

Once you have determined your appetite for risk and the controls that can be applied, you should again assess the eight areas of risk as you did at Stage 3 (Analyse and Evaluate) but

this time considering the mitigations you have put in place. The resulting highest individual score from the eight areas of risk is the score assigned as the overall '**Residual Risk Score**'. The scores for the reassessment of the eight areas of risk and the Residual Risk Score are recorded on the risk template as per the attached risk toolkit.

5. RECORD AND REPORT

The risk culture of the Council must embrace openness and clear communication, support transparency, welcome constructive challenge and promote collaboration, consultation, and co-operation.

An important part of this is to ensure that there are processes in place to enable the recording and reporting of risks as well as having a process to escalate a risk to the appropriate management level.

The Council's risk management framework should anticipate, recognise, and respond to changes and events in an appropriate and timely manner to ensure that the right information is given to the right people, at the right level, and at the right time.

The regular reporting of risk enhances the quality of organisational decision-making, informs prioritisation of activity, and strengthens organisational oversight.

The Good Practice Guide to Risk Reporting identifies the following benefits of regular risk reporting:

- Embedding a consistent understanding of principal and emerging risks, thereby reducing the uncertainty of outcomes within an organisation.
- Monitoring progress in achieving or maintaining tolerable or optimal risk appetite positions across an organisation.
- Enabling an organisation to understand the effectiveness of internal controls and take direct, timely and informed interventions as required.
- Integrating risk, planning, performance, and prioritisation discussions to enable informed consequence-based decisions.
- Providing assurance to stakeholders, including oversight bodies, that risks are understood and being effectively managed.
- Providing oversight of business activities, enabling a dynamic response to unplanned events threatening delivery of priorities and strategic objectives.

Recording the Risk – The Risk Toolkit

The Risk Toolkit accompanying the Corporate Risk Management Strategy contains a summary of the key points of this strategy and a form that needs to be completed to record the details of the Risk, the Inherent and Residual Risk Scores and mitigating/management measures. The completed form will summarise the risk in a common, easy to understand format.

The completed form must be submitted to Corporate Services for collation in the Corporate Risk Register.

Reporting the Risk - Projects

The risk management arrangements for projects will need to be considered on a case-by-case basis when each project is developed. This will be dependent upon the nature of the project, its scale, objectives and most importantly the risk it represents to the Council. It is likely that for many projects the risks will change frequently and require the Council to respond accordingly through regular reporting to the appropriate management level.

The reporting arrangements for projects will be recommended by the relevant Head of Service and Director and agreed by the Corporate Management Team. This should not be any less frequent than quarterly.

Reporting to Corporate Management Team

The Corporate Risk Register will be reviewed and reported quarterly to the Corporate Management Team.

Where there is a residual risk of 15 or greater (usually considered an unacceptable level of risk) the risk should be reported monthly to Corporate Management Team or at intervals as determined by the Corporate Management Team.

Dover District Council has always promoted a culture of accessibility to its Corporate Management Team. If a risk owner feels that they need to escalate the reporting of their risk, they should speak to their Head of Service and/or Director about adding the matter to the Corporate Management Team agenda.

Reporting to Councillors

Those risks with a Residual Risk Score of 10 or greater will be reported in summary form in the quarterly Strategic Dashboard considered by Cabinet and the Overview and Scrutiny Committee.

The Governance Committee will consider the complete Corporate Risk Register on an annual basis and will receive quarterly updates on changes to the Corporate Risk Register in that quarter.

6. MONITOR AND UPDATE

The Corporate Risk Register is a living document and therefore must be regularly reviewed and amended as required. The Corporate Risk Management Strategy requires that risks recorded on the Corporate Risk Register are reviewed a minimum of every quarter by the risk owner.

Risk Owners should consider the following matters when reviewing their risks:

- Is the risk still relevant?
- Is there any movement in the risk score?
- Are the controls still in place and operating effectively?
- Has anything occurred which might change its impact and/or likelihood?

- Have any significant control failures or weaknesses occurred since the last monitoring exercise? If so, does this indicate whether the risk is increasing or decreasing?
- If the risk is increasing, do I need to devise more controls or think of other ways of mitigating the risk?
- If the risk is decreasing, can I relax some existing controls?
- Are controls / actions built into appropriate documented action plans?
- Are there any new or emerging risks?
- Have any of the existing risks ceased to be an issue? (and can therefore be removed)
- Have potential opportunities been considered and maximised?

Where a new risk arises or changes between the quarterly updates, Corporate Services should be notified, and a new or updated entry submitted. If the residual risk score is 15 or greater of the new or amended risk, then the risk should be reported to the next meeting of the Corporate Management Team regardless of where it falls within the quarterly reporting cycle.

Performance Management

Introduction

Dover District Council recognises that to achieve its corporate objectives and to deliver efficient services for the community, there is the need for effective performance management, supporting Council priorities and informing decision making, with links to the service planning and budget setting processes.

Performance Management Framework

Performance Planning

- Translates corporate objectives into targets for financial and Business plans.
- Drives performance by developing the most efficient working practices and sharing them across the Council.
- Preparation of plans and targets should engage all staff.

Performance Monitoring

- Links strategies, plans, people and performance and assess how well and efficiently we are performing.
- Helps us be transparent.
- Monitoring enables employees to see how their actions impact on the corporate plan, strategic objectives, Business plans and individual objectives by linking these all together.
- Converts plans into measurable goals and shows where we are providing good value.

Performance Reporting

- Reports on outcomes and gives early warning of potential failures
- Provides an opportunity to capture and share information and ideas
- Increases operational efficiency.
- Helps manage services effectively.
- Increases accountability to the community.
- Increases cross service awareness
- Recognises individuals' roles in the process and their contribution.

The steps involved in the performance planning process are:

Timescale	Activity
Continuous	The Corporate Plan is a continuously evolving document which includes the latest high level strategic priorities and priority actions for the Council.
September	Each September, Directors and Heads of Service identify their objectives for the next financial year. These will be closely aligned to those shown in the Corporate Plan. Interim Personal Performance Reviews held. Objectives and targets are adjusted if necessary.
October	Revenue Budget estimates are prepared for the coming year.

Timescale	Activity
November/December	Draft Business plans and service budgets are reviewed/finalised making sure that they align with the Corporate Plan and the budget. Business plans include service objectives; these can be measured by performance indicators where necessary. Shared services develop plans and targets ready for agreement by the respective Directors, DDC Client Officers and the relevant Portfolio Holder.
December	Business Plans and Budgets are agreed.
April	Personal Performance Reviews are also undertaken, reviewing individual performance against objectives. New personal targets are agreed. Corporate and Business Plans become live documents

The Corporate Plan

The Corporate Plan is a continuously evolving document which includes the latest high level strategic priorities and actions for the Council. It covers a 3 – 5 year span.

Top level, objectives and targets emanate from the corporate plan, cascading down to service divisions as a starting point for the preparation of service plans.

Service Strategies

The Council is responsible for a number of service strategies and plans. These are not annual documents but have a longer lifespan. Any targets and objectives resulting from these strategies are incorporated into the relevant Business Plan.

Business Plans

The Business Plan is one of the central mechanisms for each Director and Head of Service managing their own area of activity and therefore sits at the centre of the Corporate Governance process. It links corporate objectives, business objectives and personal objectives.

The Business Plan is the document that translates the strategic aims of the Council into service objectives and an annual programme of appropriately resourced activities. These are managed and monitored by the relevant Director and Heads of Service.

Each year Directors and Heads of Service are required to identify and review their key service objectives; these should also support and reflect corporate priorities. In developing objectives Directors should consult with all their team members as well as portfolio holders. Service objectives need to be measurable using milestones or performance indicators.

Completed Business plans are forwarded to the corporate services team where targets are collated, ready for monitoring and publishing in the quarterly performance report. Corporate management team identify key service objectives and indicators for the Council, for Cabinet/Council consideration and endorsement.

Shared Services

Shared services also develop plans and targets which are agreed by their respective Directors, DDC Client Officers and the relevant Portfolio Holder. These are agreed by

Cabinet and in case of dispute the East Kent Services Board (Chief Executives Group) will mediate.

Performance Monitoring

Performance results are collated by the Continuous Improvement team into the Strategic Performance Report and reported quarterly to Corporate Management Team and Cabinet. The report is then available for full scrutiny by the Overview and Scrutiny Committee. It provides an up-to-date picture of the Council's current performance with commentary from the relevant Director.

Partnership Evaluation Criteria

The Council has adopted partnership evaluation criteria as part of this framework. The objective of the evaluation is to measure the effectiveness of partnerships from the Council's perspective. It is used to evaluate new partnerships, and as an annual review of high risk/profile partnerships.

The Strategic Performance Dashboard Report

On a quarterly basis the following key areas of performance are monitored and reported via the Strategic Performance Dashboard report:

Service Delivery

This section reviews performance against key service targets. These are the indicators that are considered as key to the achievement of Corporate and Service objectives. If any are showing weakness or failure, details of the proposed recovery action will be provided.

Director's comments

A short summary by the Director of each division and from the Heads of shared services.

Performance Comments

A short explanation of any underperforming areas or performance indicators.

Key initiatives and Outcomes

Comments on specific projects/events which the Director needs to bring to Members and public attention, especially those that will bring changes to the service delivery or have an impact on the current ways of working.

Concerns/Risks

A short description of anything which may affect performance, service delivery or output.

Financial Performance

This section provides a summary of budget and actual.

The Performance Report is published on the Council's website.

Quarterly Focus

A detailed analysis of a business area or specific topic.

The Quarterly Review Process

The Strategic Performance Dashboard report is reviewed firstly by Corporate Management Team who take an active interest in overall performance. They look to take action to address weaknesses, and highlight success. Action plans enable the process to concentrate on the action being taken to address weaknesses, rather than becoming involved in identification of the weaknesses themselves.

The report is then considered by the Cabinet Member with responsibility for Governance and then by Cabinet and Scrutiny, with recommendations from Scrutiny being made back to the Cabinet.

The On-going Review Process

Directors feedback performance information to the staff in their divisions. They discuss with their divisions and/or teams performance against service objectives, budget profile, and performance indicators.

Cabinet formally reviews key performance issues and Corporate Management Team comments. This is scrutinised by the Overview and Scrutiny Committee.

Performance Indicators

Performance indicators help to measure service objectives and targets and are one of the ways that the public can judge how well the Council is performing.

- All Services must provide their performance results to the Corporate Services Team at the end of each quarter. The results are then input into a data collection system ready for producing the Performance Report. An accuracy check is done on any indicators that do not look consistent or represent a significant variation from the target or previous reporting.
- Directors and Heads of Service are responsible for ensuring the accuracy of their published figures.
- If an outside body has set indicators Directors are responsible for ensuring the published results are calculated in accordance with those bodies' definitions.

Timing for Submitting Indicator Results

- Quarterly Results must be prepared for the quarters ending 30 June, 30 September, 31 December and 31 March for inclusion in the quarterly Performance Report. The results should be sent to Corporate Services as soon as possible after the quarter end. In case of difficulty, the Corporate Services officer needs to be informed.

Standards for Target Setting

- Targets are discussed and agreed by the Directors and Portfolio Holder(s) prior to inclusion in Business Plans. Corporate Management Team will review all targets to ensure that a realistic, but challenging level of performance improvement is being sought. Targets are then taken to Cabinet for approval. Arrangements for achieving targets should be built into Business Plans.

Acting on Performance Information

- All Directors and Heads of Service should be able to demonstrate that they have used their performance information in the management and improvement of their service. In particular to ensure that poor performance is acted on immediately and that good performance is developed to become excellent performance.
- Regular feedback should be given via weekly or monthly team meetings, 1:1 sessions, information on the Performance Information notice boards (as appropriate), and publication on the intranet.

Financial Performance

The Council's financial monitoring and reporting arrangements are an important part of performance management. Revenue and capital budgets are assigned to individual managers to enable them to deliver objectives and priorities of the Council and it is therefore vitally important that these are carefully managed.

Expenditure and income is monitored at budget manager level. There is an electronic budget monitoring system which the budget manager is expected to update. Members of accountancy staff keep a watching brief on expenditure and liaise with Managers where necessary.

The Accountancy team will look at the expenditure from a strategic viewpoint to ensure that the Council has the necessary financial resource to deliver its priorities. This will include the examination of budget pressures and commitments from a corporate viewpoint. Budget reports are then prepared for Management and Members.

Individual Personal Development Review

The Council has an individual Personal Development Review process for employees that is designed to ensure everyone:

- Knows what they have to do and the standards expected of them in their job
- Knows how what they do fits in with the aims of the Council and their own particular service
- Has the skills to help them deliver excellent services
- Receives feedback on how they are performing in their job and identifies any training and development needs
- Knows how their personal objectives link to wider service and corporate objectives

The Personal Development Review process involves twice yearly interviews between an employee and their manager. The first meeting enables the results to be considered as part of Business Planning, Corporate Planning, budget setting and development of training plans. The second meeting is a mid year review that examines outturn performance for the financial year and reviews the objectives and targets set.

Alongside the formal Personal Development Review system is the need for regular dialogue with all team members, either on a 1:1 basis or in small groups to discuss performance issues. In particular it will be important to celebrate performance successes and identify weaknesses. For poor or failing performance it is important to identify with team members the reasons why, and identify what action is necessary and any resource or procedural implications.

Quality Assurance, Audit & Risk Management

The Council has a number of systems and processes to check and monitor the way it carries out its activities. These include:

Audit and Performance Teams

The Council's Corporate Services Team and East Kent Audit Partnership provide an internal checking and monitoring role in relation to a number of key areas of work. One of their roles is ensuring that the Council is delivering its corporate objectives with the minimal level of risk. The Audit team assesses whether management has identified and acted on key business risks and that the internal control system is operating effectively. This work includes reviewing systems and processes.

External auditors annually review our financial statements and examine our governance arrangements. Their findings are reported in the Annual Audit Letter.