

2017/18 Annual Governance Statement

Scope of responsibility

1. Ashford Borough Council is responsible for ensuring its decisions and business are conducted according to the law and proper standards. The Council must ensure public money is safeguarded properly accounted for and that all resources are applied efficiently and effectively in order to secure best value for its residents and taxpayers.
2. Good governance is fundamental to achieving the Council's responsibilities. The Annual Governance Statement reports on the extent of the Council's compliance with its principles of good governance. The Statement explains the effectiveness of the governance arrangements for the year ending 31 March 2018 and sets out any action for planned improvements in the coming year. This statement provides assurance to the council and its stakeholders that good governance arrangements are in place.
3. In 2016 the council adopted an updated Local Code of Corporate Governance, which follows principles contained in national guidance and produced by CIPFA and SOLACE:

[Local Code of Corporate Governance](#)

4. The Local Code is underpinned by a framework of policies, procedures, behaviours and values by which the council governed. The documents that make up this framework provide Members and officers with effective tools to ensure good governance across the organisation.
5. This statement sets out how the Council has demonstrated good governance that meet the core principles within the Local Code of Corporate Governance. These core principles within the Local Code are:
 - A) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
 - B) Ensuring openness and comprehensive stakeholder engagement;
 - C) Defining outcomes in terms of sustainable economic, social and environmental benefits;
 - D) Determining the interventions necessary to 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
6. The Code encourages the Council to test its practice against these principles, and prepare an Annual Governance Statement in order report publicly on the extent to which they comply within their own arrangements in the year, and on any planned changes for the coming year.
 7. This Statement takes each of the Code's principles in turn and explains the authority's compliance and performance together with any improvements that need to be made in the year ahead.
 8. The Statement also explains how the council is dealing with improvement areas identified in last year's Annual Governance Statement.

Purpose of the governance framework

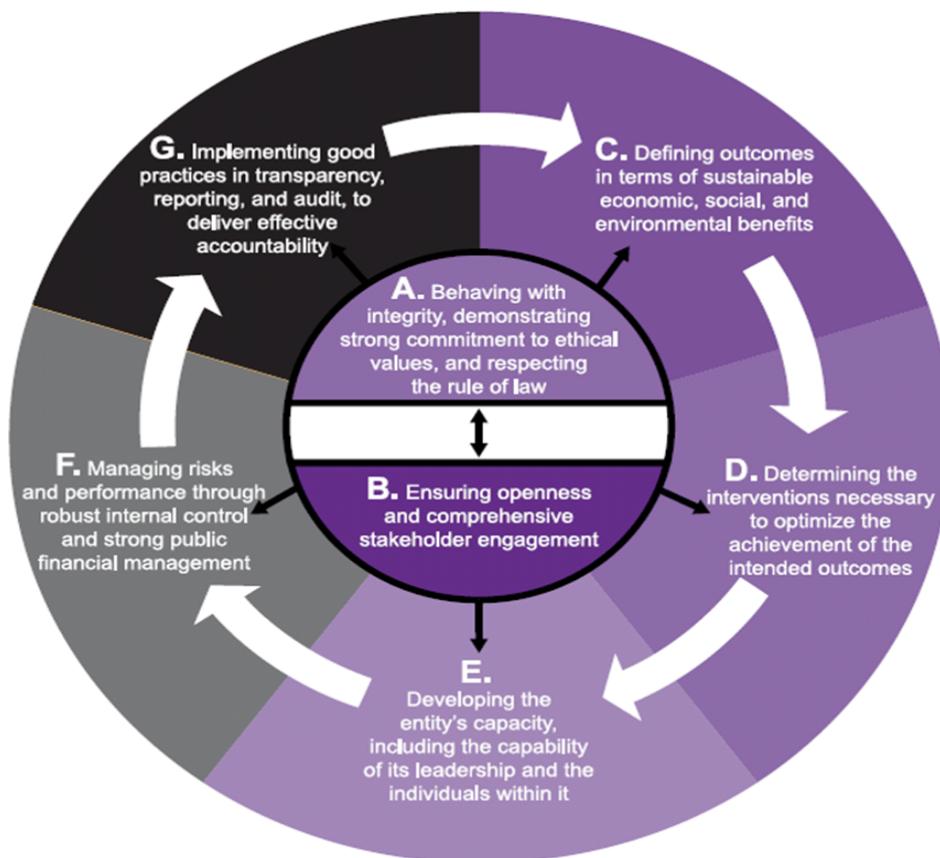
9. The governance framework comprises the systems and process, and cultures and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community.
10. Good governance inspires public confidence. It provides the basis for public assurance that Council decision are taken for the right reasons, that quality of service is protected as far as reasonably practicable, and that public money is wisely and effectively spent. In these times of tight resources and uncertain economic conditions, risks are more obvious. Our governance helps to focus on key controls and those risks are considered more critical to achieving the Council's strategic goals.
11. This Statement also allows the Council to meet the requirements of the Accounts and Audit (England) Regulations 2016, to prepare and publish an Annual Governance Statement to accompany the latest Annual Finance Report.

Our core principles for good corporate governance

12. The core principles which underpin our governance, and this Statement, were agreed in June 2016 as part of the council's Local Code of Corporate Governance, *Delivering Good Governance in Local Government 2016*.

13. The main principle underpinning this Local Code is that it positions the attainment of sustainable economic, societal, and environmental outcomes as a key focus of governance processes and structures.

14. As such, the Local Code sets out the component parts the Council seeks to demonstrate in order to show good governance. The AGS does not restate these principles in full, but the diagram below highlights the key components, and how they relate to each other –



15. The diagram makes it clear that good governance is dynamic, and that the Council should be committed to improving governance on a continuing basis through a process of evaluation and review.

16. The principles form the framework for this Statement's appraisal of the effectiveness of our governance arrangements over the last twelve months.

Dealing with last year's key improvements areas

17. The 2017/18 Annual Governance Statement identified three key improvement areas. Progress on remedying these governance exceptions was reported to the Audit committee on a quarterly basis throughout the year.

Modern.Gov

18. Modern.Gov is a software system which provides an easily accessible central source for information relating to the council's decision-making, including meeting management, committee work programmes and report management. Modern.Gov allows for agendas, minutes committee details, declarations and decisions to be accessed online instead of being produced in paper format.
19. The system is now live on both the Council intranet and website, with documents for all meetings uploaded via Modern.Gov as standard. The previous in-house system (covering former committees not listed on Modern.Gov) remains active on both the intranet and website whilst historic agendas are uploaded to the system.
20. There is scope for further development of Modern.Gov which is dealt with in paragraph 45.

Transparency Code

21. The council's compliance with the requirements of the Transparency Code 2015 have been reviewed on an ongoing basis to ensure that published data complies as far as possible with the Code. Areas of non-compliance around the council's land data have been addressed with publication of records to the council's website. A further upload of this data to the central government electronic Property Information Management System (ePIMS) is being undertaken in conjunction with Kent County Council.
22. Monitoring of compliance with the Transparency Code remains ongoing, and as datasets are updated, efforts will be made to ensure that accessibility is maximised through maintenance of the existing dedicated transparency web page and uploading documents as machine-readable CSV files.

Peer Challenge

23. Peer Challenge is a process by which a small team of senior councillors and officers from other local authorities are invited to look at the council's systems, processes and outcomes, and to make recommendations about what might be further reinforced or improved. Peer Challenge is not an inspection but an opportunity for the council to assess itself by getting valuable external feedback from experienced colleagues in local government.

24. The Council hosted an all council Peer Challenge between the 16th and 19th April 2018. During that week, the Peer Challenge Team:

- Tested our understanding of the borough with regard to our priorities and visions for the future.
- Looked at the council's leadership and relationship between its Members, officers and partners
- Tested the council's financial plans to ensure long-term viability
- Assessed the council's governance arrangements and ability to implement change successfully
- Looked at the effectiveness of the council's structure.

25. The next step will be to take forward the outcomes of the Peer Challenge which is dealt with in Paragraph 85.

Principle A – Behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Sources of Assurance

Behaving with Integrity	
	Members' Code of Conduct
	Annual staff performance appraisals
	Declarations of interest made at meetings
	Standards Committee
	Up-to-date register of interests & hospitality
	Up-to-date Whistleblowing policy
	Up-to-date Anti-Fraud and Corruption policy
	Up-to-date Complaints policy
	Open and accessible public meetings
Demonstrating strong commitment to ethical values	
	Constitution
	Staff recruitment, retention policies
	Staff competency framework
	Up-to-date procurement policy, including social value
Respecting the rule of law	
	Constitution
	Job descriptions for all staff and Portfolio Holders
	Support provided for all committees
	Monitoring Officer
	Committee Terms of Reference
	Cabinet report template

Behaving with integrity

26. The Council's current code of conduct for councillors was adopted on 20 July 2012 and has since been the subject of minor amendments. This code is based on Localism Act principles and was developed as a collaborative project by Kent Monitoring Officers in consultation with task groups of councillors within individual councils. The vast majority of district and parish councils in Kent have adopted this "Kent Model Code of Conduct".
27. Complaints activity has been very low since adoption of the new code of conduct in 2012. Indeed up to the end of 2016, no complaints had been referred for formal investigation. The Monitoring Officer's Annual Report for 2017 referred to an increased level of code of conduct complaints arising during the year and involving both borough and parish councillors. The first formal complaint under the Council's adopted Good Practice Planning Protocol was also dealt with during the year. The report highlighted the fact that the increased use/misuse of social media by councillors was a factor and had given rise to complaints about personal remarks and/or defamatory attacks. The Council's Standards Committee responded swiftly and has asked the Monitoring Officer to prepare a social media Guidance Note for councillors to provide advice on risks, best practice etc. An amendment to the Code of Conduct has also now been agreed by the Council and these changes will now be taken forward and put in place in good time for the next Council.
28. All council meetings and agendas include an early item seeking declarations of interest and the type of interest. Ad hoc advice on interests is regularly sought from the Monitoring Officer and his staff by borough councillors and parish clerks/councillors. This process continues to demonstrate a culture of compliance with the code of conduct in relation to interests and a good general level of understanding by borough councillors and desire to comply with the Code of Conduct and Planning Protocol.
29. All new staff and members receive induction and training upon arrival. For staff, the induction pack includes both a copy of the staff Code of Conduct, and the council's customer service values. These, as part of an overarching customer care policy, were updated during the year.

Demonstrating strong commitment to ethical values

30. The council's shared corporate values – Ambitious, Creative and Trustworthy – were adopted in August 2017. The values were informed by consultation with all staff and are now fully embedded within the organisation with briefings to Managers and all staff and have been incorporated into the appraisals process. The appraisals process was audited during the course of 2017/18 and was provided with a Strong assurance rating.
31. The annual appraisal process is also based on a 'Competency Framework' agreed in December 2014 which sets out key behaviours that if demonstrated by staff will contribute to the success of the council's long term aspirations. Key agreed competencies including:

- a) Inspiring trust by demonstrating honesty and integrity
 - b) Treating others with respect and dignity at all times, ensuring that there is no discrimination regardless of background.
32. The corporate training programme demonstrates the council's strong commitment to ethical values with topics in the 2017/18 training programme including managing mental health.

Respecting the rule of the law

33. As a statutory body the Council's structures for decision-making, its rules and its processes are influenced by legislation and associated regulatory needs. A fundamental part of our governance, therefore, is the Constitution. An important aim of the Constitution is to reinforce the principle of members and officers working together, and in partnership with others, to achieve common goals.
34. The Constitution is a legal requirement and sets out how the Council runs, how it should make decisions and the guidance it should follow to ensure these are efficient, transparent and accountable to local people. Some of these processes are needed by law, while others were chosen by the Council.
35. It has several chapters, which set out the basic rules governing the Council's business. More detailed procedures and codes of practice are set out in accompanying rules and protocols.
36. Parts of the Constitution are periodically reviewed to ensure the Council's arrangements remain relevant. Thus, changes are made as necessary to ensure our arrangements support effective performance of our responsibilities to residents and taxpayers, whilst fully supporting effective achievement of the Council's aims. The Constitution was formally amended in May 2017 to include the role of the Deputy Portfolio Holder'. These deputies are able to substitute for the Portfolio Holder in their absence, increasing resilience within the Cabinet.

The principal features of the Constitution



37. The most effective way to deliver cost effective services is for officers and members to work together with our partners to agree and achieve a common goal. A number of working groups or advisory committees comprising officers and members have met during the year to steer and monitor progress of high profile projects and services delivery.
38. All working groups have clear objectives which are set out in the terms of reference. This year, new working groups relevant to achieving the council's objectives have been instigated covering a range issues. For example, the IT and Digital Transformation Advisory Committee which oversees the council's Digital Delivery project, IT developments and the General Data Protection Regulation action plan.

Principle B – Ensuring openness and comprehensive stakeholder engagement

Sources of Assurance

Openness	
	Annual Report
	Council tax information available online
	Corporate Plan setting goals
	Sustainable Community Strategy
	Residents' Survey (2018)
	Quarterly Resident's magazine
Engaging comprehensively with institutional stakeholders	
	Communications Strategy
Engaging stakeholder effectively, including individual citizens and service users	
	Communications Strategy

Other Sources of Assurance

Openness

39. In December 2015, the council agreed a new Corporate Plan – “The Five Year Corporate Plan – for Aspiration, Action and Achievement”. This sets out what the council aims to achieve in the following priority areas –

- Enterprising Ashford – economic growth and investment
- Living Ashford – quality housing and homes for all
- Active and Creative Ashford – healthy choices through physical, cultural and leisure engagement
- Attractive Ashford – countryside and townscape, tourism and heritage.

40. The Corporate Plan is publicly available on the council’s website and has been subject to regular scrutiny by the Overview and Scrutiny Committee – primarily through quarterly performance reports.

41. The Annual Report is a user friendly document which is aimed at keeping residents, partners and stakeholders informed of achievements made by the council and its key partners during the year. The Report explains performance against the council’s key priorities and includes a financial summary.

42. All member decisions across the formal and democratic decision-making process are published under statutory requirements. There is a presumption that information and decisions are taken in public, but occasionally (under access to information regulations) some information is regarded as ‘exempt’ and not published. However, the council aims as far as is possible, to keep this type of information and decisions to a minimum.

43. Following questions over the council's commercial approach raised by Members during scrutiny of the council's draft 2018/19 budget, the council presented an open report on commercial investment and property acquisitions to the Overview and Scrutiny Committee in April 2018. Whilst commercial confidentiality required the exemption of a small number of papers, the key driver for reporting was transparency, with significant information presented in the public domain for open discussion.
44. The agendas, minutes and background papers of all committees (other than those which are exempt) are published on the council's website. In areas, such as Planning, where important decisions are also taken by officers, decision notices are also published.
45. As previously mentioned in the section explaining how last year's identified key improvement areas have been dealt with, Modern.Gov is now live making it easier for Members, officers and members of the public to access minutes and agendas online. Modern.Gov can be utilised further to strengthen the council's governance arrangements. **All Member meetings are now available on Modern.Gov but in order to further improve the accessibility of all decisions this should now be extended to include Management Team meetings (for access by officers) and the recording and publishing of officer decisions taken under delegated powers.**
46. For staff, various internal communications are used to promote awareness of the organisations overarching priorities, including the on-line monthly staff magazine, Root and Branch, and the Chief Executive's periodic 'walk about' briefings. A monthly Corporate Management Team meeting is an opportunity to brief managers on topical matters with 10 minute briefing items aimed at raising awareness.

Engaging comprehensively with institutional stakeholders

47. The Ashford Strategic Delivery Board ensures effective and timely delivery of key projects and includes local partners engaged in delivering agreed priorities. Continued progress towards key actions is monitored by the Strategic Co-ordination Team whose membership comprises high-level officers stakeholder organisations. Quarterly updates report on progress towards key actions and the different stakeholders work together to address any barriers to progress when they emerge.
48. The council is also an active member of the Ashford Health and Wellbeing Board and Community Safety Partnership; which both bring together local partners to deliver shared outcomes. These both met regularly during the year; and are attended by both senior officers and the relevant Cabinet portfolio holder.
49. Ashford Borough Council and Kent County Council work in accordance with an agreed 'District Deal' which is unique within the county. This Deal providers a

statement of the two council's shared commitment to work together to deliver the council's priorities and better quality outcomes including the 'Big 8' projects and future service improvements. The two Council's refresh the District Deal at the start of each year to set the shared priorities for the year ahead.

50. The Clinical Commissioning Group attended a meeting of the Overview and Scrutiny Committee in March 2018 to discuss their estates strategy and sustainability and transformation plan. The Overview and Scrutiny Committee also met with providers of youth engagement services including voluntary sector providers.
51. The council sponsored a Health and Wellbeing Symposium which aimed to promote good practice in the workplace and community to a variety of stakeholders.
52. The council is part of the Kent and Medway Information Sharing Partnership and has been an active member in working with partners including other local authorities, health and the police to update its information sharing protocol in light of the General Data Protection Regulation which came into force in May 2018.
53. The council is an active participant in the Ashford and Canterbury Dementia Action Alliance which meets on a quarterly basis.

Engaging stakeholders effectively, including individual citizens and service users

54. A residents' survey was conducted in March 2018 with surveys being issued to 10,000 households. There was a positive response rate to the survey with over 20 per cent of the surveys completed. The survey results are currently being analysed and will contribute to shaping the council's future priorities and service provision.
55. The council has recently introduced a new quarterly residents' magazine which is distributed to every household in the borough. The aim of the magazine is to improve communication and engagement with residents. As well as updates on developments, the magazine contains features and important information on council services and activities as well as highlight upcoming events in the borough.
56. The council's equalities objectives commit the organisation to working "with Ashford communities to tackle disadvantage and discrimination through consultation and involvement, whilst utilising councillors' personal knowledge and understanding of their communities."
57. The Impact Assessment template used with all Cabinet reports enables report authors to highlight engagement and insight from services users when asking decision-makers to agree amended policies.

58. Consultation and engagement with residents and communities have also continued on specific issues and projects including:

- Following the original consultation on the draft Local Plan in 2016, a series of main changes were made to the plan which were subject to a further consultation in 2017. As well as an online consultation, a number of drop in events were held throughout the borough to obtain resident and stakeholder feedback.
- Chilmington Green Community Strategy.
- Neighbourhood Plans proposed for local areas as they emerge.
- Future improvements to Victoria Park
- Indoor sports facilities strategy

Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits

Sources of Assurance

Defining Outcomes	
	Five Year Corporate Plan
	Service Planning
	Risk Management Framework
Sustainable economic, social and environmental benefits	
	Medium term Financial Plan – Capital Programme and Investment Strategy
	Records of key Cabinet decisions and supporting materials
	Equality Objectives ensure fair access

Other Sources of Assurance

Defining outcomes

59. The council's strategic outcomes are set out in the Corporate Plan 2015-2019. The Corporate Plan sets out the council's aims to become financially self sufficient in order to achieve long term sustainability so the council can continue to deliver benefits and outcomes to citizens.
60. During 2017/18, the council measured the outcomes delivered through a quarterly performance 'dashboard'. The online system provided trend data and contextual information alongside the progress made in delivering the council's corporate objectives.
61. Over the past year, the Council has reviewed its performance monitoring arrangements. A new performance management framework has been derived to reconcile key performance indicators, service level data and contextual measures over which the council has relatively little control (such as educational attainment and workplace earnings) for recording the council's performance from 2018/19 onward.
62. In order to ensure a closer link between performance data, risk and programme management, performance data will be migrated from the current dashboard (Socrata) to the council's existing programme and risk management system (Pentana). This will allow Heads of Service to integrate performance data into the service planning process.
63. Under the new framework Cabinet and Overview and Scrutiny will continue to receive quarterly update reports on key performance indicators directly related to

the council's corporate plan, whilst various contextual measures will be compiled into a 'Borough Profile' to be reported on annually.

64. A new Performance Management Board will be created at Management Team level to review service performance on a monthly basis, allowing for the identification of any capacity issues within services and identify existing resources which can be deployed across services and directorates where possible to address these issues.
65. A number of new key performance indicators have been identified by services for inclusion in the new framework. 2018/19 will form the baseline year for future reporting.
66. The Council combines programme management with service planning to balance demands and priorities. The potential benefits and outcome of any new project have to be tested against corporate objectives and the resources available to support the delivery of the project.
67. During the course of 2017/18, the Council in collaborating with the Mid-Kent Audit Partnership reviewed its risk management framework to ensure that all risks are managed at an appropriate level whether they be strategic, delivery, financial or compliance risks. The Cabinet have approved the new framework and the risk appetite set out within it and a new Corporate Risk Register based on the framework will be monitored regularly by the Audit Committee.

Sustainable economic, social and environmental benefits

68. The Council's Project Initiation Document requires consideration to be given to the economic, social and environmental benefits of potential projects.
69. The council's aim to become financially self sufficient by making commercial investment that deliver a return to underpin the council's medium term financial plan demonstrates its ability to take a longer term view whilst managing risk.

Principle D – determining interventions necessary to optimise the achievement of the intended outcomes.

Sources of assurance

Determining interventions	
	Cabinet reports include options appraisals
	Medium-Term Financial Plan
Planning and programming Interventions	
	Five Year Corporate Plan
	Cabinet forward plan
	Risk management Framework
	Service planning aligns budgets, plans and objectives
	Communications Strategy
	Business Continuity Plans
	Emergency Plan
Optimising achievement of intended outcomes	
	Procurement Strategy includes Social Value

Other Sources of Assurance

Determining Interventions

- 70. Cabinet Members hold regular forward planning to consider progress against the Corporate Plan and looking ahead to determine the strategic issues facing the organisation to inform any interventions that may need to be made.
- 71. The Council's Directors meet on a fortnightly basis to consider strategic issues and respond to risks and changing circumstances as they emerge in an agile way.

Planning for interventions

- 72. The remit of Management Team now has a greater focus on strategic issues and corporate governance matters. A detailed forward planning schedule has been developed which has provided an enhanced focus on proactively monitoring corporate governance issues.
- 73. As part of this forward planning approach and following on from the appraisal process a need was identified for specialist Contract Management training, reviewing the maintenance of the contract register and the corporate approach to contract management. As a result, expert consultants were commissioned in late 2017 to develop a training programme for relevant staff on Contract Management

and to undertake a review of the council's contract register and Contract Management processes. **Following this review, a project plan has been agreed incorporating a number of measures to provide greater capacity and synergy with the procurement function, improved processes and performance and better governance around Contract Management. It is intended that implementation of this plan will be followed up internal audit at the end of the process.**

74. The council's Management Team consider the progress made against projects on a quarterly basis to identify any barriers to delivering the council's objectives and appropriate measures that should be put in place to overcome them.
75. Risks are monitored regularly at a service level and Management Team consider service risks on a quarterly basis to determine any controls or actions that need to be put in place to mitigate risk. The council's risks are now monitored using risk management software which provides a clear audit of risk profile over time so that trends can be analysed.
76. Last year Business Continuity went through an internal Audit process which started in March 2017. 12 recommendations were made which ranged in priorities from high to low. The overall result was a Weak assurance rating, but by using the Audit recommendations and action plan the council swiftly turned it around and actioned all 12 within a short period of time. Once all the updates were finally submitted to Audit the assurance rating was reassessed and given a Sound assurance rating.
77. Emergency Planning has faced a year of national and local emergencies. All the emergencies from the Grenfell Tower incident, to the 'Move to Critical' and the Lighting roof fire in Stanhope have had a positive outcome due to the future learning points. It has had huge benefit of raising the profile of Emergency Planning and highlighting the importance of the role. Taking this on board, the council will be working closely with the Kent Resilience Team to deliver future training to Members and staff within the Emergency Plan.

Optimising achievement of intended outcomes

78. A public consultation on the draft budget is held each year.
79. The Budget Scrutiny Task Group scrutinises whether the draft budget is sound and achievable. In doing so, the Task Group assesses individual service plans and risks against the draft budget proposals. The Task Group produces a report with recommendations to the Cabinet.
80. Human Resources oversee the councils approach towards workforce and capacity planning including regular appraisals and the provision of relevant training and development activity.

81. Training needs are identified through the appraisals process from which an annual corporate training programme is developed. Compliance with the council's mandatory training programme (including topics such as the General Data Protection Regulation and Business Continuity), is closely monitored. Any areas of non-compliance are reported to the council's Management Team on a regular basis.
82. Personal development planning toolkits are available to all staff through the intranet and e-learning staff development portal (Ashford Achieve).

Developing the entity's capacity

83. A new senior management structure was introduced towards the end of 2017 which sought to enhance cross functional working, improve resilience, increase capacity at a senior level and ensure that the right skills were in place to deliver the council's intended outcomes.
84. The council has embarked on a digital delivery project. A new Customer Relationship Management system has been produced and is being developed to improve the customer journey. Digitising certain transactions is also expected to release capacity within the organisation. An early achievement in the last year has been moving the paper-based process for managing garages online whereby the customer can now apply for a garage and manage their account online. The Digital Delivery Team have audited the processes within all services and are now developing a programme to take forward further initiatives.
85. As mentioned in the section explaining last years' key improvement actions, the council hosted an all council Peer Challenge in April 2018. **The Peer Challenge Team have very recently produced a report which has set out areas of focus for the council's consideration. The council's management team and political leadership will be reflecting on these findings, following which an action plan will be developed to implement learning from the Peer Challenge experience.**

Developing the capability of the entity's leadership and other individuals

86. The Council is committed to identifying and fulfilling the learning and development needs of members and officers. As community leaders, it is vital that our councillors are supported to be as effective as possible. Members' training needs are considered through a Member Training Panel. These needs are recognised as an important issue to develop and the issue is recognised as one of our strategic risks. Focusing on this is particularly important given the changes in external influences (the results of economic factors and government policies) and the breadth and complexity of some issues facing the Council and its members. The following training sessions have been delivered for Members during 2017/18:

- Data Protection

- Chairmanship Skills
 - A Tour of Completed Development
 - Licensing Act Training for Committee Members
 - Emergency Planning and Business Continuity
 - Safeguarding
 - Specific Training for new Planning Committee Members
87. The council is embracing digital technology to provide more effective support to members. In addition to the roll out of Moden.Gov, approximately 25 Members are 'early adopters' of tablet technology enabling them to access minutes and agendas in a paper free way at meetings.
88. Members played a key role in the Peer Challenge process. There was a Cabinet workshop, the Peer Team held focus groups with backbenchers, members of the opposition and the Chair and Vice-Chair of the Overview and Scrutiny Committee.
89. The council holds an annual Workplace Wellness Week with a programme of events and initiatives such as fresh fruit and nutrition, mental health and financial health workshops, bike checks and lunchtime runs.

Principle F - Managing Risk and Performance through robust internal control and strong public financial management

Sources of Assurance

Managing Risk	
	Agreed risk management framework
	Risks regularly considered by Audit Committee and Management Team
Managing Performance	
	Quarterly performance reporting, including to Overview and Scrutiny
	Publication of all public committee minutes and agendas
	Active Overview and Scrutiny Committee
Robust internal control	
	Internal and External Audit plans and reports
	Effective, resourced Internal Audit function
Managing data	
	Designated Data Protection Officer
	GDPR Action Plan
	Data Protection Impact Assessment
	Quarterly budget monitoring reports to Cabinet

Other Sources of Assurance

Managing Risk

90. As noted in principle C, the council has revised its Risk Management Framework during 2017/18. The new framework broadens the scope of the council's Corporate Risk Register and provides a clear governance structure for how risks should be identified, monitored and mitigated against.
91. As the framework articulates risks and internal controls are identified each year as part of the service planning process to ensure that any potential risks to achieving the outcomes sought are identified and mitigated against. These risks are regularly monitored and any new risks that emerge are included on the corporate risk register together with those identified at the outset. Each risk has a 'risk owner' to ensure that responsibilities are clearly articulated.

Managing Performance

92. As noted in principle C, the council has revised its performance management framework to provide a clearer picture of the interdependencies between programme and service actions, performance and risk.
93. The performance of individual projects is monitored through the council's project review document and lessons learnt are shared with the council's Management Team as part of the Programme Management report to ensure any lessons learnt are shared.

Managing Data

94. The suite of data protection policies introduced in 2016 are fully embedded and all staff trained on these policies. Over the course of 2017/18, the council has been getting ready for the General Data Protection Regulation (GDPR) coming into force on 25 May 2018 which has included an extensive range of activities including introducing and updating data protection policies, workshops with individual services and reviewing the council's privacy notices.
95. A Data Protection Impact Assessment Template (DPIA) has been introduced to assess any data and privacy risks that may exist when undertaking a new project or new way of delivering a service. The DPIA forms part of the corporate Project Initiation Document to ensure that appropriate technical and organisational measures are in place when carrying out data processing activity.
96. All staff have completed online GDPR training and those that process larger quantities or special categories of personal data have also been required to undertake additional face-to-face session.
97. A corporate retention schedule has been completed setting out the time periods

for retaining all data assets. This is a live document which will need to be regularly reviewed and updated.

98. An Information Governance Group has been introduced and met regularly in 2017/18. The Group brings together key officers involved in managing and protecting data. The Group has been overseeing the GDPR action plan.

Strong public financial management

99. The Council is required to follow statutory guidance for the publication of its accounts. Each year, this guidance is reviewed and updated, and this is reported to the Audit Committee. This informs members of any updates on the Council's accounts for 2017/18, and on the lessons learnt from the accounts process in 2016/17. During the past year, the council learnt that it had been the first in the country to submit its accounts, a notable achievement.

Principle G – Implementing good practice in transparency, reporting and audit to deliver effective accountability

Sources of assurance

Implementing good practice in transparency	
	Annual Report
	Accessible website
	Transparency page
	Publications Scheme
Implementing good practice in reporting	
	Annual Report
	Annual financial statements
	Annual Governance Statement
Assurance and effective accountability	
	Head of Internal Audit
	Quarterly update on governance exemptions to Audit Committee
	Sustainable Community Strategy

Other Sources of Assurance

Implementing good practice in transparency

100. The council has a continued commitment to transparency and meeting relevant legislative requirements. Data published under the Government's Transparency Code is available on the transparency pages of the website. These data sets include council spending, salaries, fraud outcomes and more recently the gender pay gap.

101. The Transparency pages also explain the Publication Scheme which details the different classes of information that are routinely made available; Freedom of Information, Environmental Information and Subject Access Requests. Also available, is a comprehensive list of the council's policies and strategies which govern the way in which members and staff operate.

Implementing good practice in reporting

102. Staff have continued to use the Cabinet report template which was updated the previous year to ensure consistency of reporting across the organisation and that the implications of any matter are fully considered.

How effective is our governance in meeting these principles?

103. The assurances noted above – both the component 'sources' and the other developments made within the year – provided a comprehensive overview of the council's governance framework.
104. **Generally these arrangements work well for the Council and allow it to uphold good standards of accountability and effectiveness.**

Additional Governance Areas

105. We do not consider that there have been any significant governance issues arising in 2017/18. However the actions detailed below are in place to maintain good governance arrangements throughout 2018/19.
106. These are in bold within the report, with a short action plan summarised below –

Governance Area	Responsible Department	To be delivered by
Extend the use of Modern.Gov to include management team meetings and officer delegated decisions taken	Legal and Democratic Services	December 2018
Development of an action plan arising from the Peer Challenge review	Directors / Management Team	September 2019
Implementation of the Contract Management project plan	Legal and Democratic Services	March 2019

107. Through further action during 2018/19 in the areas noted above, the council's overall governance arrangements will remain strong – and indeed will strengthen further.

108. These developments will be monitored regularly and reported on to the Audit Committee quarterly, and will be considered fully within the next Annual Governance Statement.

Head of Internal Audit Opinion

Scope and time period

1. I provide this opinion to Ashford Borough Council (the Council) to inform its Annual Governance Statement, as published alongside its financial statements for the year ended 31 March 2018.

Scope limitations

2. The role of internal audit need not be limited to assurance and extend towards consultancy, advice and strategic support. We have agreed with the Committee the overall scope of our work in our *Internal Audit Charter* and the specific scope of our work this year in our approved *Internal Audit & Assurance Plan 2017/18*.
3. However our audit plan cannot address all risks across the Council and represents our best use of inevitably limited resources. In approving the plan, the Committee recognised this limit.
4. Beyond this general disclaimer, I have no specific limitations of our scope to report to the Committee.

Consideration of work completed and reliance on other agencies

5. I have drawn my opinion from the work completed during the year, as first set out in the plan approved by Members on [21 March 2017](#) and later developed in line with emerging risks and priorities. The rest of this report sets out the work and my findings in greater detail.
6. In completing my work I have placed some specific reliance on one external source. The Council commissioned work from SCMG to assess its contract management arrangements. The Council accepted the conclusions of that report and have resolved to act on its recommendations. As a consequence I did not proceed with my own planned work on contract management, but will re-examine the area once the Council has changed its arrangements.

Information supporting the opinion

7. The remainder of this report summarises the work completed in delivering the internal audit plan through 2017/18.
8. My opinion draws on the work carried out by Mid Kent Audit during the year on the effectiveness of managing those risks identified by the Council and covered by the audit programme or associated assurance. Where risks identified by the Council do not fall within the scope of our coverage I am satisfied an assurance framework exists to provide reasonable assurance on effective management.

Risk and control framework

9. The Council is responsible for ensuring it undertakes its business within the law and proper practices. The Council must also ensure it safeguards and properly accounts for its resources, using them economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to seek continuous improvement in exercising its roles.
10. The Council has described key aspects of its internal control and risk management within its [Local Code of Governance](#) and its [Risk Management Framework](#).
11. Internal controls are designed to manage to an acceptable level rather than remove the risk of failing to achieve objectives. So, it can only provide reasonable and not complete assurance of effectiveness. Internal controls are a continuing process designed to identify and set priorities around the risks to the Council achieving its objectives. Internal controls also evaluate the likelihood of those risks coming about and managing the impact should they do so.
12. In completing our work we have had regard to the control environment and objectives in place at the Council.

Conformance with standards

13. Mid Kent Audit has conducted its work following the Standards and good practice as represented in our internal quality assurance. This includes include working to an agreed audit manual with satisfactory supervision and review.
14. Our annual review confirms the service remains in full conformance with the Standards, as advised by our external quality assessment from the Institute of Internal Audit in 2015. We are next due an external quality assessment by 1 April 2020.
15. We describe later in this report our efforts towards continuing improvement and the results of our Quality and Improvement work.

Overall conclusion

Internal Control

16. I am satisfied that during the year ended 31 March 2018 the Council managed a system of internal control that offers sound assurance on control effectiveness.

Governance

17. I am satisfied that Council's corporate governance arrangements for the year ended 31 March 2018 comply in all material respects with guidance on proper practices^[1].

Risk Management

18. I am satisfied the risk management arrangements at the Council for the year ended 31 March 2018 are effective and provide sound assurance.

Other Matters

19. I have no other matters to report as part of my opinion.

[signed]

Rich Clarke CPFA ACFS
Head of Audit Partnership

7 June 2018

^[1] "Proper practices" are defined by CIPFA/SOLACE and set out in [Delivering Good Governance in Local Government Framework](#) (2016).

