Annual Governance Statement for Ashford Borough Council 2025-26

Executive Summary

The Annual Governance Statement for Ashford Borough Council 2025-26 outlines the governance arrangements and internal control environment for the financial year 2025-26. The statement adheres to the local code of corporate governance based on CIPFA's 'Delivering Good Governance in Local Government Framework 2016'. CIPFA updated their guidance with an addendum in 2025 and consequently a review of Ashford Borough Council's Local Code of Corporate Governance has taken place. This AGS follows the guidance and our updated local code.

The governance framework comprises the systems, processes, culture, and values by which the council is directed and controlled, as well as the mechanisms by which the **Council and its Groups** engage, leads, and accounts to its citizens. The statement is divided into four parts:

1. **Dealing with last year's key improvement areas**: we have made significant progress in addressing the eight key improvement areas identified in the 2025/26 AGS. Actions have been completed in areas such as complaint handling, hybrid meeting equipment, performance measures, policy tracking, staff survey results, housing compliance, and audit committee recruitment.

2. **Compliance with the principles of good governance**: we have conducted a self-assessment to ensure compliance with the principles of good governance set out within the Local Code of Corporate Governance which follows guidance from CIPFA and Solace. The self-assessment draws on the controls and systems we have in place and assesses developments that have taken place throughout the year.

3. **Other sources of assurance**: assurance on the governance framework is provided by internal and external audit functions. The Head of Internal Audit provides an independent opinion on the overall adequacy and effectiveness of the council's arrangements.

Planned developments to governance areas in 2026/27: We have identified several areas for development in the year ahead (2026-27). In addition to implementing actions from our Internal and External audit functions, we set out, in this AGS, other areas that we wish to improve over the course of the year ahead.

4. Good governance underpins all that we do at Ashford Borough Council. We are committed to delivering high standards of integrity, transparency, and accountability to ensure the effective delivery of services to the community which this AGS aims to demonstrate.

Annual Governance Statement for Ashford Borough Council 2025-26

Introduction

1. This Annual Governance Statement reports on the governance arrangements and internal control environment of Ashford Borough Council for the financial year 2025/26. It adheres to our local code of corporate governance which is based on CIPFA's 'Delivering Good Governance in Local Government Framework 2016.'

2. The council is involved in partnership working and has group relationships with other entities. A review has taken place during of the governance of subsidiary and joint venture companies that report into the Trading and Enterprise Board. Quarterly reports are made to the relevant Boards of the companies and company accounts and risk assessments are submitted to the TEB on a quarterly basis. Activities of the group are reflected in our review of effectiveness. The Groups is:
    - Ashford Cinema Limited
    - A Better Choice For Property Limited
    - Ashford International Development Company
    - Stour Environmental Credits Limited (JVC)
    - A Better Choice For Property Development Limited

3. The final version of the AGS is published on the council's website and accompanies the Statement of Accounts, as required by the Accounts and Audit Regulations 2015.

Governance Framework

The Local Code of Corporate Governance

4. In 2016, the Council adopted a Local Code of Corporate Governance based on the principles set out in national guidance produced by CIPFA and SOLACE. In May 2025, CIPFA and SOLACE published an addendum to this framework, providing updated guidance on how councils should review governance arrangements and prepare the Annual Governance Statement. The Council has reviewed its Local Code of Corporate Governance in light of this updated guidance. As a result of the review, the Code better reflects strengthened expectations around how governance is evidenced, challenged and reported. The updated Local Code applies to the Annual Governance Statement for 2025/26 onwards.

5. The Local Code is the governance framework that comprises the systems, processes, culture, and values by which the Council is directed and controlled. It also includes the mechanisms by which the Council engages, leads, and accounts to its citizens.

6. This AGS sets out:

Part 1: how the council is dealing with improvement areas identified in last year's AGS.

Part 2: a self-assessment the council complies with the principles of good governance set out within the Local Code.

Part 3: Other sources of assurance

Part 4: a summary of planned changes to the council's governance arrangements for implementation during 2025/26.

7. The council has made an assessment of its compliance for each area of the Code to explain our compliance. The rating is explained as:

   - Assured: Fully compliant
   - Assured in part: Whilst we comply in some areas there are governance arrangements that require action
   - Not Assured: Not compliant and action is required

8. This assessment seeks to respond to the CIPFA and Solace addendum to improve transparency and reflection on the council's adequacy of its arrangements.

Part 1: Dealing with last year's key improvement areas

1. The 2024/25 AGS identified eight key improvement areas. Progress on remedying these governance exceptions was reported to the Audit Committee during the year and is set out below.

   Below is a summary table of the key improvement areas identified in last year's AGS along with updates for each area:

Key Improvement Areas	Updates
Implement the agreed actions identified in response to the Value for Money (VFM) report, as set out at appendix A of the 2025-25 AGS.	☑ Report made to The Audit Committee on 17 March 2026 on progress made to deliver the VFM report.
Update the council's Local Code of Corporate of Corporate Governance to reflect the recently published CIPFA addendum to the Delivering Good Governance Framework (2016) and advice on subsidiary companies and their inclusion in local authority AGS.	☑ Action complete. The Council's Local Code has been updated, effective from AGS' from 2025/26 onwards.
To continue to work with the Regulator for Social Housing with the aim of a full inspection within the next two years to enable the council to improve the judgement rating.	☑ The council has worked closely with the Regulator for Social Housing during this period and expects a full inspection within the original planned timescales.

Review our Tenant Engagement Strategy	☑ Action in progress. A review is due to beundertaken in September 2026: Tenant Engagement Strategy
In response to Local Government Reform, keep our governance arrangements, internal policies, and practices under continuous review to ensure we can adapt effectively to new requirements as they emerge. This proactive approach will position us to contribute meaningfully to reform while maintaining robust systems.	☑ Action complete but key improvement areas for the year ahead identified in light of the scale and importance of this fundamental change to how local governement will be delivered locally. Several exercises have been undertaken to review internal policies and practices in respond to LGR. Internal governance arrangements have been established to oversee the council's preparation towards LGR. The council is actively particpating in Pan-Kent preparation during the Enhanced Discovery Phase to ensure readiness when unitary footprints are announced. Our governance internal governance arrangements have been developed to reflect the wider programme arrangements.
To develop, adopt and communicate a Performance Management Framework for use by officers across the organisation.	☑ Action complete. A new Performance Management Framework was agreed in September 2025 and was shared with officers on the SmartHub and through Corporate Management Team

Review the Committee report template	☑ Updated ready to be published. Action complete.
Produce a policy on the use of Artificial Intelligence	☑ Action in progress. The Policy is due to be adopted by the Cabinet in June 2026.

Part 2: How the Council Complies with the Principles of Good Governance Set Out Within the Local Code

Principle A	Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values, and Respecting the Rule of Law
Assurance	**Assured**
Developments in 2025/26	The Council has continued to make progress against the action plan agreed with the Regulator of Social Housing, with improvements to data quality and the implementation of a centralised system supporting the management of housing compliance information. Governance arrangements established in response to the regulatory judgement remain in place, including the Audit and Compliance Board, with regular oversight provided by the Audit Committee. Engagement with the Regulator has continued throughout the year, with feedback supporting ongoing improvement. The Housing Service has strengthened its assurance arrangements and increased confidence in its ability to demonstrate compliance across key safety requirements, with further work planned to embed improvements. Following their adoption by Cabinet in May 2025, the Corporate Complaints Handling Policy and Unreasonable Conduct Policy have been embedded during 2025/26, with a subsequent review undertaken to ensure alignment and incorporate early learning. The council has experienced an increased use of Artificial Intelligence to generate complaints, FOIs and Subject Access Requests. In light of this, the council is reviewing its process and policy to ensure effective use of resources including complaints handling information and the new Artificial Intelligence Policy. Code of Conduct complaints, particularly at parish council level, increased to a peak in 2023. The Monitoring Officer has worked closely with the Kent Association of Local Councils (KALC) during 2025 to strengthen awareness, support and early resolution of issues, including training, mediation and a standards “summit” conference. These measures have contributed to a reduction in formal complaints during 2024 and a further decrease in 2025, although volumes remain sensitive and will continue to be monitored.. While these measures have supported improved engagement and early intervention, complaint levels remain relatively high. Therefore,

<table>
<tr>
<td></td>
<td colspan="3">ongoing monitoring and collaboration with parish councils and KALC will be important to further embed good practice and reduce demand over time.

The Kent Code of Conduct and associated arrangements were reviewed and updated during 2025 to reflect the Local Government Association Model Code.

Nationally, the Government has indicated its intention to introduce a revised ethical framework, expected in 2026/27, which is likely to strengthen the available sanctions and further evolve the standards regime.

On 19 June 2025 the Data (Use and Access) Act (DUAA) became law in the UK. The DUAA is a new Act of Parliament that updates some laws about digital information matters. It changes data protection laws in order to promote innovation and economic growth and potentially make things easier for organisations, whilst still protecting individuals and their rights. The changes will be phased in between June 2025 and June 2026 and the council will need to update its Data Protection and Complaints Handling Policies and processes to reflect the changes.

The council has a well-developed committee structure which enables it to respond to given circumstances. Details can be found in the constitution.</td>
</tr>
<tr>
<td>Framework key components</td>
<td>Integrity
• Monitoring Officer Annual Report
• Member’s Code of Conduct
• Declarations of interest scheme
• Recording of decisions
• Standards Committee including independent person
• Register of interests and hospitality
• Whistleblowing policy
• Complaints Handling Policy
• Open and accessible public meetings</td>
<td>Ethical values
• Constitution
• Staff recruitment and retention policies
• Staff competency framework
• Corporate training programme
• Procurement policy
• Equalities Policy & Objectives</td>
<td>Rule of Law
• Constitution
• Monitoring Officer
• Committee Terms of Reference
• Cabinet report template
• Anti-Fraud and Corruption Policy
• Bribery Act Policy Statement
• Contract Standing Orders
• Modern Slavery and Human Trafficking Statement
• Enforcement Framework</td>
</tr>
</table>

		• Corporate Values – Ambitious, Trustworthy and Creative	• Kent and Medway Information Sharing Partnership
Planned developments in 2026/27	Update the council’s policies and procedures in response to the implementation of the Data Use and Access Act 2024 (DUAA)		

Principle B	Ensuring Openness and Comprehensive Stakeholder Engagement
Assurance rating	**Assured**
Developments in 2025/26	During 2025, the Council reviewed and updated its Tenant Engagement Strategy 2024–27, with progress assessed against the associated action plan and refinements made to strengthen its focus on effective tenant involvement in landlord services. This work aligns with the requirements of the Regulator of Social Housing and contributes to strengthening accountability, transparency and continuous improvement in housing service delivery. The Parish Forum was repeated in the autumn of 2025 bringing together parish councils and partners, providing a platform to review shared priorities such as local policing, health and wellbeing and planning matters. Future forums are planed support ongoing partnership working and the identification of local needs, helping to inform coordinated responses and strengthen engagement between the Council, parishes and wider stakeholders. During 2025, the Council progressed the development of the emerging Ashford Local Plan through a formal Regulation 18 consultation on the draft Local Plan 2042, setting out the Council's proposed direction of travel for planning policies to guide growth and change across the borough. The consultation took place between August and October 2025 and provided residents and stakeholders with the opportunity to comment on the emerging strategy, including key issues such as housing, economic development and the environment. Feedback received through this consultation is being reviewed and is informing the ongoing refinement of the Local Plan, with further stages of plan preparation and consultation to follow as the plan progresses towards submission. Following the submission of an interim plan in March 2025, the Council has continued to work with partners across Kent and Medway during 2025 and submitted full business case proposals to Government in November 2025. This work has been undertaken through established Member and officer governance structures and supported by ongoing programme development. In parallel, the Council has progressed internal readiness activity, including service-level assessments, risk management and preparatory work to support transition to any future arrangements.

<table>
<tr><td></td><td colspan="3">In light of Local Government Reform, the Council agreed during 2025 to undertake a Community Governance Review (CGR) of the unparished urban area of Ashford to assess whether existing governance arrangements remain appropriate. The review formally commenced following approval of the Terms of Reference by Full Council in October 2025, which set out the scope, timetable and consultation approach for the review. The CGR is focused on the unparished area and includes consideration of whether a town council should be established. Consultation activity has been undertaken in line with statutory guidance, with responses informing the development of draft and final governance proposals for consideration by Members.</td></tr>
<tr><td>Framework key components</td><td>Openness
• Annual Report
• Council tax information available online
• Corporate Plan
• Resident’s magazine
• Mod.Gov: Minutes, agendas, decisions published
• Hybrid Equipment to facilitate virtual and face to face meetings.
• Smart Hub
• Chief Executive monthly email newsletter
• Grants and Funding Policy</td><td>Engaging with Institutional Stakeholders
• Command and Control Strucutre
• Ashford Strategic Delivery Board
• Ashford Health and Wellbeing Board
• Ashford Community Safety Partnership
• Armed Forces Pledge
• Shared Prosperity Fund Partnership Group
• Parish Forum</td><td>Engaging stakeholder effectively, including individual citizens and service users
• Communications Strategy
• Equalities Impact Assessment Template
• IT, Digital and Customer Service Strategy
• Citizens’ Panel
• Engagement and Consultation Software</td></tr>
<tr><td>Planned improvements in 2026/27</td><td colspan="3">Introduce arrangements for the delivery of LGR within the council to ensure readiness and the ability to contribute to Pan-Kent work streams (for example, Assets, Contracts, IT and Digital).

Develop an engagement plan to keep staff well-informed as LGR progresses throughout the year.</td></tr>
</table>

Principle C	**Defining outcomes in terms of sustainable, economic, social, and environmental benefits**	
Assurance rating	**Assured**	
Developments in 2025/26	The council’s Borough Plan is structured around three key themes: **Planet**, **People**, and **Place**. These themes guide the council's initiatives and policies to ensure a sustainable, inclusive, and well-planned community. Throughout 2025/26, delivery of the Borough Plan has been supported by a structured programme of projects name the Year of Delivery, overseen by the council’s Programme Management Group. Governance arrangements for the programme have been strengthened, with dedicated resource in place to coordinate delivery, monitor progress and support reporting against key milestones and outcomes. The council’s Equality Objectives were adopted as part of the Borough Plan and of its Equality Policy is planned early in the 2026/27 council year to ensure it is consistent with the Objectives.	
Framework key components	**Defining Outcomes** • Borough Plan • Performance Management Framework • Performance and action monitoring • Risk Management Framework • Risk Appetite Statement 2024-28 • UK and Rural England Shared Prosperity Fund Programme	**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 • Programme Management Group
Planned developments in 2026/27	Review the council’s Equality Policy to ensure alignment with the council’s Equality Objectives 2024-2028 and introduce a mechanism for seeking assurance on the delivery of Equality Impact Assessments.	

<table>
<tr><td>Principle D</td><td colspan="3">Determining the Interventions Necessary to Optimise the Achievement of Intended Outcomes</td></tr>
<tr><td>Assurance rating</td><td colspan="3">Assured</td></tr>
<tr><td>Developments in 2025/26</td><td colspan="3">During 2025/26 the Mid-Kent Audit Partnership completed the following audits:

• General Ledger
• Cemeteries
• Housing Benefits
• Temporary Accommodation
• Cyber Security
• Planning Enforcement
• Waste Collection Contract
• Business Rates
• Section 106 Agreements

All of the above had Sound or Strong assurance ratings.

The Cyber Assessment Framework (CAF) for local government is designed to enhance cyber resilience by providing a structured approach for councils to assess and improve their cybersecurity practices. The council has been reviewing its arrangements against the CAF and plans to update its own Framework during 2026/27.</td></tr>
<tr><td>Framework key components</td><td>Determining Interventions
• Cabinet report template
• Medium-Term Financial Plan
• Directors meetings and service sessions
• Digital Delivery Group</td><td>Planning and Programming Interventions
• Programme Management Group
• Cabinet Forward Plan
• Risk Management Framework
• Internal Audit
• Scrutiny Work Programme
• Service Planning</td><td>Optimising achievement of intended outcomes
• Procurement Strategy includes Social Value
• Budget Scrutiny Task Group
• Appraisals
• Corporate Training Programme
• Personal Development Training</td></tr>
</table>

	• Cabinet Forward Planning Sessions • Council's transparency page	• Communications Strategy • Business Continuity Plans Business Continuity Incident MT • Emergency Plan • Remote Working Policy • Management Team Annual Programme • Corporate Policy Tracker • Project Management Toolkit	• Public consultation on Draft Budget
Planned developments in 2026/27	Review the IT and Cyber Assessment Framework and reporting arrangements.		

Principle E	Developing the Entity’s Capacity Including the Capability of its leadership and the individual within it
Assurance rating	**Assured**
Developments in 2025/26	During 2025/26, the pilot mentoring scheme for senior managers was implemented, supporting leadership development through mentoring, knowledge sharing and constructive feedback. In response to the Housing Regulator’s judgement, changes to the Housing Service senior management structure have been implemented to increase capacity and support delivery of required service improvements. The Council has also continued to invest in workforce development through targeted training programmes, with a focus on compliance, housing improvement and effective complaint handling, alongside enhanced support for staff wellbeing. Staff achievements have been recognised through corporate initiatives celebrating professional qualifications and contributions, reinforcing a positive organisational culture and commitment to continuous professional development. Information and training is also disseminated to staff in a number of ways including through the council’s Corporate Management Team where presentations on a range of topics including key council processes such as complaint handling are covered. The Smart Hub also provides information on a range of topics and VLOGs are increasingly used for example, the Chief Executive has provided regular updates to staff on Local Government Reform throughout the year. Member training has focused on supporting their community representative role with several well-received sessions on personal safety and mental resilience. Staff were relocated to new premises at International House at the end of 2024. Benefits of the relocation were financial savings, repurposing the current Civic Centre to meet other local needs and reduction in the council’s carbon emissions. Phase two of the move was completed at the end of 2025 when the Civic Suite was relocated to join the staff at International House. The move provided the opportunity to enhance the hybrid meeting arrangements with existing equipment transferred across with the move as well as new screens in the main Chamber and committee rooms. The Council has progressed the use of Artificial Intelligence (AI), particularly Microsoft Copilot, to support productivity and efficiency across services. Following a targeted pilot involving selected users, feedback

	has been positive, with staff reporting time savings through task automation and enhanced user support, including drafting documents, summarising information and supporting routine communications. Copilot has been embedded within Microsoft 365 applications, enabling consistent use across core systems. Ashford Borough Council has introduced a new Artificial Intelligence (AI) system at Ashford Port Health Authority (APHA), becoming the first facility in the UK to fully automate the initial stage of import document checks and allowing it to maintain its prices for the coming year. The Council undertook a full review of how import documentation was processed, identifying opportunities to strengthen performance without compromising regulatory standards. Working in partnership with Salesforce Ltd and Cospire Technologies, APHA has developed the UK's first fully automated, AI-driven system for the initial stage of import document checking. This groundbreaking solution uses Intelligent Document Processing to capture and structure import documents, enabling Artificial Intelligence to carry out the initial compliance checks, accurately replicating the existing manual process in a faster, more consistent and auditable way. To support wider adoption, the Council has developed an Artificial Intelligence policy to guide the responsible use of AI, which is progressing through the formal approval process. The policy aims to ensure that the use of AI to enhance operational efficiency, decision making and innovation is balanced with appropriate safeguards around individual rights, privacy and data integrity. It applies to employees, elected members, partners and sets out clear principles for compliance, fairness, transparency and stakeholder engagement. The Council has established clear controls to ensure that AI is used responsibly, including requirements for human oversight, compliance with data protection and equality legislation and the use of approved systems such as Microsoft Copilot within a secure environment. Ongoing governance will be maintained through regular monitoring, training and regular policy review to ensure arrangements remain effective and responsive to changes in technology, legislation and risk.

Framework key components	**Capacity** • Senior Leadership Team • Organisational Restructures • Directors Meetings • Director Service Sessions • Management Team • Programme Management Group	**Leadership** • Member Training Programme • Member Training Group • Forward Planning Days	**Individual capacity** • Mandatory training programme • Corporate Training Budget • Scheme of Delegation
Planned developments in 2026/27	As part of LGR readiness, additional training requirements have been identified to assist with the transitional arrangements. It is planned that these are built into the 2026/27 corporate training programme.		

Principle F	Managing risks and performance through robust internal control and strong public financial management
Assurance rating	**Assured**
Developments in 2025/26	While the Council already had established performance monitoring arrangements in place, the development of the Performance Framework in September 2025 can now provide greater structure, consistency and clarity to how performance is managed across the organisation. It brings together existing practices into a single, coherent framework, strengthening alignment between the Borough Plan and service delivery through the "golden thread," and setting out clear principles for meaningful measures, reliable data and continuous improvement. The framework enhances existing arrangements by formalising roles, responsibilities and data quality expectations and embeds a more systematic approach to performance management, including clear ownership and sign-off of data, consistent use of SMART indicators and defined processes for monitoring, review and reporting. During 2025/26, the Council has continued its transition from on premises file shares to cloud-based Microsoft 365 solutions, introducing SharePoint alongside existing use of OneDrive. SharePoint provides a secure, centrally managed platform for team and departmental files, supporting improved collaboration and shared access, while OneDrive continues to support personal work and document development. This shift has enabled staff to access files more easily across devices without reliance on legacy systems, supporting flexible working and enhancing data security. The move also supports improved integration with digital tools, including Microsoft Copilot, enabling more efficient use of information and strengthening collaborative working across services. A new in-house Performance Tracker has been developed and implemented to strengthen performance management and monitoring. The system was designed to improve how we collect information regarding our Key Performance Indicator's across services and deliver cost efficiencies. Development included testing with key services, consultation on performance targets, refinement of functionality to ensure it reflects how services operate and ensuring it was user friendly. The Performance Tracker was

<table>
<tr>
<td></td>
<td colspan="3">successfully rolled out on 1 May 2026 with clearly defined KPI ownerships, improved visibility of performance information and automated processes to support timely updates and reporting. This will enhance the Council’s ability to monitor performance consistently, supports effective decision-making and strengthen accountability. The effectiveness of the system will be kept under review during 2026/27 to ensure it continues to meet organisational needs and supports continuous improvement.

Following the successful roll out of the corporate Performance Tracker, work has commenced during 2026 to strengthen the council’s approach to risk management through the development of an in-house risk management system. This will support the development of a more integrated suite of corporate systems, improving the alignment of performance and risk information and enhancing monitoring and oversight.</td>
</tr>
<tr>
<td>Framework key components</td>
<td>Managing Risk & Performance,
• Risk management framework
• Audit Committee
• Management Team
• Pentana (risk management software)
• Risk appetite statement
• Service planning
• Quarterly performance reporting
• Overview and Scrutiny
• Publication of all Committee minutes and agendas
• Performance Framework</td>
<td>Robust internal controls

• Internal and external audit plans
• Effected audit function</td>
<td>Managing data and Strong public financial management

• Data Protection Officer
• Data Protection Policy
• Data protection reporting
• Data protection impact assessment
• Remote working and portable devices guidance
• Budget monitoring reports
• Statutory guidance for publication of accounts</td>
</tr>
</table>

Planned developments in 2026/27	Build on the success of the council's KPI software development by extending it to the council's risk register and supporting framework.		

<table>
<tr><td>Principle G</td><td colspan="2">Implementing good practices in transparency, reporting, and audit to deliver effective accountability</td></tr>
<tr><td>Assurance rating</td><td colspan="2">Assured</td></tr>
<tr><td>Developments in 2025/26</td><td colspan="2">We will explore opportunities during 2026/27 to further enhance transparency in performance reporting, including making Borough Plan KPI information available through the Council’s website. This will support improved public visibility of performance data, strengthen accountability and enable residents and stakeholders’ better access to information on performance against key priorities.</td></tr>
<tr><td>Framework key components</td><td>Implementing good practice in transparency
• Transparency pages
• Committee Meeting minutes and agendas.
• Streaming of public Committee Meetings</td><td>Assurance and effective accountability
• Corporate Risk Register
• Performance reports
• Audit Committee
• Local Code of Corporate Governance</td></tr>
<tr><td>Planned developments in 2026/27</td><td colspan="2">Enhance transparency and accountability by exploring publication of live Borough Plan KPI performance data on the Council’s website.</td></tr>
</table>

Part 3: Other Sources of Assurance

In addition to our own assessment against the Code, assurance is provided on our governance framework by our Internal and External Audit functions.

Internal Annual Audit Opinion

1. The Head of Internal Audit provides an independent opinion on the overall adequacy of and effectiveness of the council's governance, risk and control framework and the extent to which the council can rely on it. An internal audit plan is produced each year and the audit opinion regularly communicated to the Audit Committee throughout the year, including any areas of significant weakness in the internal control environment. It also reports on progress the council is making on implementing agreed recommendations arising from the work of Internal Audit.

2. The Internal Audit team continue to receive positive levels of engagement across the council when undertaking our work. Managers and Heads of Service are actively involved in scoping audit work and have a good understanding of internal control and risk management as part of the process.

3. There is a national shortage of local government internal auditors, and the Internal Audit team have had some recruitment challenges over the last few years. In order to address these challenges, a blended approach to support delivery of the internal audit function has been adopted. Through working with other local authority partnerships in a contractor arrangement and developing our own in-house team through trainee programmes we have been able to grow the team and develop a stable approach to internal audit delivery. Overall progress on the planned programme of work delivered by internal audit has continued to improve over the last few years and 2025/26 maintained a consistent level of audit delivery to support the annual audit opinion. In addition to the results of the internal audit work concluded during the year, additional sources of assurance have also been included to form the opinion. A summary of where it has been possible to place reliance on the work of other assurance providers is presented in the annual internal audit report. Utilising all these forms of assurance, a positive conclusion as to the adequacy and effectiveness of Ashford Borough Council's risk management, internal control environment and governance

processes has been given. In my opinion, Ashford Borough Council has adequate and effective management, control and governance processes in place to manage the achievement of their objectives.

External Auditor’s Annual Report

4. Grant Thornton are the council’s appointed external auditors and provide an annual report of the work they have undertaken for the council throughout the year.

5. The core element of the report is the commentary on the values for money arrangements.

6. The VFM report evaluates the performance of the organisation across several key areas: financial stability, governance, and service delivery. By analysing these aspects, the report identifies strengths, weaknesses, and opportunities for improvement, providing actionable insights to enhance overall organisational performance.

7. The most recent VFM report was published in February 2025. One Key Recommendation was made relating to HRA Medium Term Financial Sustainability and four Improvement Recommendations (IR). Progress against the recommendations was reported to the Audit Committee on 17 March 2026. The report detailed how overall good progress is being made on all recommendations and it was anticipated that, subject to the External Auditors judgement, they would likely be discharged as part of the 2025/26 VRM report expected in November 2026.

Part 4: Planned developments to governance areas in 2026/27

Continuous improvement is a key component of good governance. In addition to responding to actions identified through our external assurances, the council has identified the following areas for development in the year ahead:

Number	Governance Area	Action Owner	Due Date
1	Monitor delivery of the external auditor's Value for Money recommendations through the Audit Committee.	Assistant Director of Finance	31/03/2026
2	Introduce arrangements for the delivery of LGR within the council to ensure readiness and the ability to contribute to Pan-Kent work streams (for example, Assets, Contracts, IT and Digital).	Head of Policy and Performance	31/05/2026
3	Develop an engagement plan to keep staff well-informed as LGR progresses throughout the year.	Communications Manager	01/06/2026
4	As part of LGR readiness, additional training requirements have been identified to assist with the transitional arrangements. It is planned that these are built into the 2026/27 corporate training programme.	HR Manager	31/03/2027
5	Review the IT and Cyber Assessment Framework and reporting arrangements.	Service Lead – IT and Digital	01/12/2026
6	Build on the success of the council's KPI software development by extending it to the council's risk register and supporting framework.	Head of Policy and Performance	31/03/2026
7	Update the council's policies and procedures in response to the implementation of the Data Use and Access Act 2024 (DUAA)	Head of Policy and Performance	01/09/2026

8.	Enhance transparency and accountability by exploring publication of live Borough Plan KPI performance data on the Council's website.	Head of Policy and Performance	01/12/2026

Conclusion and Opinion

In conclusion, Ashford Borough Council has a robust governance framework in accordance with the principles set out in CIPFA's updated 'Delivering Good Governance in Local Government Framework 2016'. Where full assurance is not provided, we have instigated action, reviewing its arrangements to remedy exceptions. We are committed to delivering high standards of integrity, transparency, and accountability to ensure the effective delivery of services to our community.

Signed

	
Cllr. Noel Ovenden Leader of the Council	Tracey Kerly Chief Executive of the Council

Date: 23/06/2026