

## Annual Governance Statement for Ashford Borough Council 2024-25

### Executive Summary

The Annual Governance Statement for Ashford Borough Council 2024-25 outlines the governance arrangements and internal control environment for the financial year 2024-25. The statement adheres to the local code of corporate governance based on CIPFA's 'Delivering Good Governance in Local Government Framework 2016'. CIPFA's Framework was updated in May 2025 and will guide a review of our own local code in the year ahead.

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 engages, 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 2023/24 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. Grant Thornton, the council's appointed external auditors, provide an annual report evaluating the council's performance across key areas such as financial stability, governance, and service delivery. Their Opinions are included in this AGS.

4. **Planned developments to governance areas in 2025/26:** We have identified several areas for development in the year ahead (2025-26). 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. These span a range of topics and include our continued work towards improving on the judgement provided by the Housing Regulator, revised performance management arrangements, as well as planned reviews of key policies and strategies such as the Tenant Engagement Strategy.
5. 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 2024-25

## Introduction

This Annual Governance Statement reports on the governance arrangements and internal control environment of Ashford Borough Council for the financial year 2024-25. It adheres to our local code of corporate governance which is based on CIPFA's 'Delivering Good Governance in Local Government Framework 2016.'

The council is involved in partnership working and has group relationships with other entities. Activities of the groups are NOT reflected in our review of effectiveness as they have their own governance arrangements in place.

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

1. 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. CIPFA have recently published updated this guidance. Their Addendum aims to support good governance in our sector, reflect changes affecting governance since 2016, encourage robust reviews and improve accountability to stakeholders, including local communities. Council officers attended CIPFA training on the proposed changes and whilst adherence to the new guidance will be for the 2025/26 review, regard has been had to it in the preparation of this AGS. **Our Local Code will be updated during 2025/26 so that next year's AGS meets the new requirements.**

2. 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.



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 2024/25.


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




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

1. The 2023/24 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
To adopt the new Ombudsman Joint Code on Complaint Handling, implement the action plan to deliver the changes and monitor progress and compliance of the Code through a dedicated Project Team.	 Action complete. New complaints handling policy adopted that implements Code. Performance against code reported to Cabinet and Overview and Scrutiny. Monthly monitoring by Directors.

<p>Work be undertaken to maximise the benefits of the new hybrid meeting equipment and ensure it is used to its full capabilities.</p>	 <p>Action complete. Hybrid equipment in Civic Centre implemented and Democratic Services continue to ensure maximum benefits of the system are achieved.</p>
<p>The council's performance measures should be reviewed to ensure they reflect the ambitions of the new Corporate Plan 2024 to 28.</p>	 <p>Action complete. New measures adopted together with the Borough Plan 2024-28. Workshop with Corporate Management Team conducted to further refine and develop measures.</p>
<p>A Corporate Policy Tracker is created to store all of the council's policies to ensure they are reviewed and kept updated.</p>	 <p>Action complete. Policy Tracker full operational.</p>

<p>To roll out an action plan following the results of the 2023 Staff Survey to address key points raised by staff regarding work/home office arrangements and staff engagement methods.</p>	 <p>Action complete. The results of the survey were positive and an overarching action was not needed. Instead the results of the survey were shared with Assistant Directors to ensure any specific areas of concerns raised could be addressed.</p>
<p>A Board, chaired by the Leader, is established and the Audit committee to monitor the Housing compliance action plan quarterly.</p>	 <p>Action complete. Board established with oversight by the Audit Committee.</p>
<p>To respond to the Audit Value for Money Report by bringing forward a report to the Audit Committee on the recruitment of an independent member to the Audit Committee.</p>	 <p>Action complete. Report to December 2024 Audit Committee and next step is recruitment of independent member.</p>

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

<b>Principle A</b>	<b>Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values, and Respecting the Rule of Law</b>
<b>Assurance</b>	<b>Partial assurance</b>
<b>Developments in 2024/25</b>	<p>The council referred itself to the regulator for social housing in August 2024. This was due to concerns about the quality of data, the lack of a stock condition survey for over 10 years, and the inability to demonstrate safety compliance on all major aspects. The Housing Regulator issued a statutory judgment and rated a c3 which meant we have to significantly improve our data and some parts of our compliance.</p> <p>A stock condition survey was conducted and an action plan put in place which included the introduction of a central system to improve data quality. The regulator is confident we are moving in the right direction and engagement with them has been a positive experience with constructive feedback and with guidance.</p> <p>New governance arrangements have been put in place to oversee the progress towards improvement. The Leader, who is the Portfolio Holder for Housing, Chief Executive and Corporate Director form an Audit and Compliance Board. The Board is overseen by the Audit Committee which receives regular reports on progress.</p> <p>The Housing Service is confident in the quality of its data to ensure full compliance and the ability to address all repairs and maintenance both planned and responsive. Going forward, the council would like to continue to work with the Regulator for Social Housing with the objective of ultimately improving the judgement rating in due course.</p> <p>In response to the Housing Ombudsman and Local Government and Social Care Ombudsman Complaint Handling Codes the council created an action plan to ensure compliance. As per the action plan, a new Complaint Handling Policy and Unreasonable Conduct Against Staff Policy were introduced. Complaint handling performance is now monitored monthly by Directors and is reported to Overview and Scrutiny and</p>

	<p>Cabinet. Complaints escalated to the Ombudsman that were previously reported to the Standards Committee are now reported as part of the annual complaints performance reports to the council's Cabinet.</p> <p>As reported to the <a href="#">Standards Committee</a>, revisions were made to the current Kent Code of Conduct and Arrangements in the light of the publication of a revised LGA model code and Guidance.</p> <p>In the White Paper on English Devolution published in December 2024, the Government has announced its intention to review the current standards framework for local government. The Standards Committee will be updated on changes as they come forward.</p> <p>Due to rising numbers of code of conduct complaints at parish council level over the last few years, the Monitoring Officer has been working closely with Kent Association of Local Councils (KALC) on steps seeking to increase awareness and drive down complaints. These have included the holding of a “summit” conference on standards in summer 2024, an upgrade of KALC’s website with improved training and support resources, the introduction of a mediation service to help resolve working relationship issues ( which Ashford has already used) and a mid-term code training session to be held in June 2025. The success of these and other measures will be kept under review.</p> <p>The council’s suite of data protection policies were reviewed taking account of a recent audit of the function by Mid-Kent Audit. The policies were approved by the Cabinet in March 2025.</p> <p>The council has a well-developed committee structure which enables it to respond to given circumstances. Details can be found in the <a href="#">constitution</a>.</p>		
<b>Framework key components</b>	<p><b>Integrity</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Monitoring Officer Annual Report</a></li> <li>• Member’s Code of Conduct</li> <li>• Declarations of interest scheme</li> <li>• Recording of decisions</li> </ul>	<p><b>Ethical values</b></p> <ul style="list-style-type: none"> <li>• Constitution</li> <li>• Staff recruitment and retention policies</li> </ul>	<p><b>Rule of Law</b></p> <ul style="list-style-type: none"> <li>• Constitution</li> <li>• Monitoring Officer</li> <li>• Committee Terms of Reference</li> </ul>

	<ul style="list-style-type: none"> <li>• Standards Committee including independent person</li> <li>• Register of interests and hospitality</li> <li>• Whistleblowing policy</li> <li>• Complaints Handling Policy</li> <li>• Open and accessible public meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Staff competency framework</li> <li>• Corporate training programme</li> <li>• Procurement policy</li> <li>• Equalities Policy &amp; Objectives</li> <li>• Corporate Values</li> </ul>	<ul style="list-style-type: none"> <li>• Cabinet report template</li> <li>• Anti-Fraud and Corruption Policy</li> <li>• Bribery Act Policy Statement</li> <li>• Contract Standing Orders</li> <li>• Modern Slavery and Human Trafficking Statement</li> <li>• Enforcement Framework</li> <li>• Kent and Medway Information Sharing Partnership</li> </ul>
<b>Planned developments in 2025/26</b>	<b>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.</b>		

<b>Principle B</b>	<b>Ensuring Openness and Comprehensive Stakeholder Engagement</b>
<b>Assurance rating</b>	<b>Assured</b>
<b>Developments in 2024/25</b>	<p>From April 2024, the Regulator of Social Housing introduces new consumer standards and will provide a Code of Practice for landlords to follow. These strengthen the accountability of landlords to their tenants and fulfil the obligations set out by the Act. A keystone of re-dressing any imbalance between tenant and landlord is tenant engagement. The council has an adopted Tenant Engagement Strategy 2024-27. Now it has been in operation for nearly two years we wish to review its success and update the strategy to have a greater focus on meaningful engagement with tenants on our landlord responsibilities.</p> <p>Engagement with stakeholders is conducted through consultations, forums, and partnerships. The council procured a new consultation software in 2023 which has made accessing and engaging in consultations a more user-friendly experience. This is demonstrated by the uplift in responses to consultations. For example, significant rises were seen in responses to both the Borough Plan 2024-28 and budget consultations.</p> <p>A Parish Forum was held in October 2024 which was well attended and received. The forum focused on climate action, health and wellbeing and included a planning update. The event had a collaborative approach with both the NHS and Public Health working with the council and parishes to provide information about priorities which informed a workshop to identify local need. Overall, the Forum was successful because it fostered a collaborative environment and focused on tangible outcomes with follow up information shared.</p> <p>As part of the development of the emerging Local Plan, the council held a series of events – <a href="#">Our Local Plan Explained</a> - throughout the summer of 2024 to provide residents the opportunity to find out more about the preparation of the new Ashford Local Plan, what it will cover and the formal public consultation process.</p> <p>The English Devolution White Paper published on 16 December 2024 set out the government’s vision for simpler local government structures which can lead to better outcomes for residents, save significant public funds which can be reinvested in public services, and improve local accountability.</p>

	<p>In order to implement local government reorganisation, the government asked local authorities to consider how they could reshape the county's councils into a smaller group of larger unitary authorities referred to as Local Government Reform.</p> <p>Since then, the council has been actively working with Kent colleagues on an interim plan which was submitted to the government in March 2025. A full proposal is now being worked on with a deadline of 28 November 2025. Leaders and Chief Executives have been collaborating through the Kent Chiefs and Leaders structures, and various thematic groups, including the Kent Policy Officers Group, Environment, Human Resources and Information Technology are meeting regularly to assist in developing the proposals.</p> <p>In light of Local Government Reform, the Council has agreed (in May 2025) to undertake a Community Governance Review (CGR) of the Urban Area of Ashford which will involve comprehensive consultation with households and stakeholders on the future governance arrangements. The CGR Terms of Reference will be developed and are expected to seek views on a town council for Ashford.</p> <p>The council has joined forces with Canterbury City council to help unlock housing developments from 'Stodmarsh ban'. A Joint Venture company, <a href="#">Stour Environmental Credits Ltd</a>, will use Government Funding to trade in nutrient mitigation credits to enable thousands of new homes to be delivered across the Stour catchment.</p>		
<b>Framework key components</b>	<b>Openness</b> <ul style="list-style-type: none"> <li>• Annual Report</li> <li>• Council tax information available online</li> <li>• Corporate Plan</li> <li>• Resident's magazine</li> <li>• Mod.Gov: Minutes, agendas, decisions published</li> <li>• Hybrid Equipment to facilitate</li> </ul>	<b>Engaging with Institutional Stakeholders</b> <ul style="list-style-type: none"> <li>• Command and Control Strucutre</li> <li>• Ashford Strategic Delivery Board</li> <li>• Ashford Health and Wellbeing Board</li> <li>• Ashford Community Safety</li> </ul>	<b>Engaging stakeholder effectively, including individual citizens and service users</b> <ul style="list-style-type: none"> <li>• Communications Strategy</li> <li>• Equalities Impact Assessment Template</li> <li>• IT, Digital and Customer Service Strategy</li> <li>• Citizens' Panel</li> </ul>

	virtual and face to face meetings. <ul style="list-style-type: none"> <li>• Smart Hub</li> <li>• Chief Executive monthly email newsletter</li> <li>• Grants Policy</li> </ul>	Partnership <ul style="list-style-type: none"> <li>• Armed Forces Pledge</li> <li>• Shared Prosperity Fund Partner Group.</li> </ul>	<ul style="list-style-type: none"> <li>• Engagement HQ Consultation Software</li> </ul>
<b>Planned improvements in 2025/26</b>	<p>To review our Tenant Engagement Strategy to ensure meaningful engagement with our tenants on our landlord responsibilities</p> <p>To continue to actively engage in discussions at both Kent and national levels regarding Local Government Reform to ensure our organisation remains aligned and able to respond to the evolving landscape. By keeping our governance arrangements, internal policies, and practices under continuous review, we aim to adapt effectively to new requirements as they emerge. This proactive approach will position us to contribute meaningfully to reform while maintaining robust systems.</p>		

<b>Principle C</b>	<b>Defining outcomes in terms of sustainable, economic, social, and environmental benefits</b>
<b>Assurance rating</b>	<b>Assured</b>
<b>Developments in 2024/25</b>	<p>The <a href="#">Borough Plan</a> was adopted in December 2024 and it sets the direction for the council over four years. The plan is structured around three key themes: <b>Planet</b>, <b>People</b>, and <b>Place</b>. These themes guide the council's initiatives and policies to ensure a sustainable, inclusive, and well-planned community.</p> <p>Following the adoption, key projects have been prioritised to deliver the council's ambitions which are being overseen by the council's Programme Management Group. Additional resource has been identified to co-ordinate of this programme of projects.</p> <p>The council's risk appetite statement was reviewed and adopted together with the Borough Plan. This was followed by a review of the risk management framework which was adopted by the Cabinet in March 2024. The Corporate Risk Register was reported to the Cabinet for an annual review following a Value for Money recommendation and this will continue each year in addition to the established Audit Committee reporting.</p> <p>A workshop was held with the council's Corporate Management Team to review performance measures and define the approach going forward. The review will inform the 2025/26 performance indicator suite and the development of a performance management framework to further develop the council's controls regarding performance monitoring and reporting.</p> <p>The council has delivered comprehensive UK Shared Prosperity and Rural England Prosperity Programmes. These funds combined, provided £1.6m over three years to support residents, businesses and organisations across the borough, to improve the sense of Pride in Place and tackling challenges identified locally. Further funding has been provided for 2025/26. An update on the 2024/25 programme and plans including governance arrangements were reported to the <a href="#">Cabinet in March 2025</a>.</p>

<b>Framework key components</b>	<b>Defining Outcomes</b> <ul style="list-style-type: none"> <li>• Borough Plan</li> <li>• Performance and action monitoring</li> <li>• Risk Management Framework</li> <li>• Risk Appetite Statement 2024-28</li> <li>• UK and Rural England Shared Prosperity Fund Programme</li> </ul>	<b>Sustainable, Economic, Social and Environmental Benefits</b> <ul style="list-style-type: none"> <li>• Medium Term Financial Plan – Capital Programme and Investment Strategy</li> <li>• Records of key Cabinet decisions and supporting materials</li> <li>• Equality Objectives ensure fair access</li> <li>• Programme Management Group</li> </ul>
<b>Planned developments in 2025/26</b>	To develop, adopt and communicate a Performance Management Framework for use by officers across the organisation.	

<b>Principle D</b>	<b>Determining the Interventions Necessary to Optimise the Achievement of Intended Outcomes</b>
<b>Assurance rating</b>	<b>Assured</b>
<b>Developments in 2024/25</b>	<p>During 2024/25 the Mid-Kent Audit Partnership delivered audits of:</p> <ul style="list-style-type: none"> <li>• Discretionary Housing Benefits</li> <li>• Members Allowances</li> <li>• Data Protection</li> <li>• </li> </ul> <p>All of the above had Sound assurance ratings.</p> <p>A new risk management system has been procured to manage the council's business continuity and emergency planning arrangements. Work has been underway during 2024/25 to set up the system which will be fully rolled out in the year ahead.</p> <p>The Procurement Act 2023 came into force on 24 February 2025 and developments included:</p> <ul style="list-style-type: none"> <li>• Reviewed and updated Contract Standing Orders.</li> <li>• Reviewed and updated guidance information for Officers in relation to new legislation.</li> <li>• Procurement Quick User Guide developed, and Contract Management and Tender Evaluation Guidance in train</li> <li>• Website updated to align with new regulations including guidance for potential suppliers</li> <li>• All standard documentation updated to align with new regulations.</li> </ul> <p>As set out in the actions responding to the Value for Money report, a new procurement strategy is in development which will ensure the requirements of the Act are fully complied with.</p>

<b>Framework key components</b>	<b>Determining Interventions</b> <ul style="list-style-type: none"><li>• Cabinet report template</li><li>• Medium-Term Financial Plan</li><li>• Directors meetings and service sessions</li><li>• Digital Delivery Group</li><li>• Cabinet Forward Planning Sessions</li><li>• <a href="#">Council’s transparency page</a></li></ul>	<b>Planning and Programming Interventions</b> <ul style="list-style-type: none"><li>• Programme Management Group</li><li>• Cabinet Forward Plan</li><li>• Risk Management Framework</li><li>• Internal Audit</li><li>• Scrutiny Work Programme</li><li>• Service Planning</li><li>• Communications Strategy</li><li>• Business Continuity Plans</li><li>• Business Continuity Incident MT</li><li>• Emergency Plan</li><li>• Remote Working Policy</li><li>• Management Team Annual Programme</li><li>• Corporate Policy Tracker</li></ul>	<b>Optimising achievement of intended outcomes</b> <ul style="list-style-type: none"><li>• Procurement Strategy includes Social Value</li><li>• Budget Scrutiny Task Group</li><li>• Appraisals</li><li>• Corporate Training Programme</li><li>• Personal Development Training</li><li>• Public consultation on Draft Budget</li></ul>
<b>Planned developments in 2025/26</b>	<ul style="list-style-type: none"><li>• A review of the Committee Report template to ensure the matters are summarised effectively, implications understood and options set out for intended audience.</li><li>• A presentation be provided to the council’s Corporate Management Team on requirements arising from the Procurement Act 2023.</li></ul>		

<b>Principle E</b>	<b>Developing the Entity's Capacity Including the Capability of its leadership and the individual within it</b>
<b>Assurance rating</b>	<b>Assured</b>
<b>Developments in 2024/25</b>	<p>Leadership capability is strengthened through mentorship and succession planning. A Pilot Mentoring Scheme for Senior Managers has been designed to support senior managers in the council by providing them with the opportunity to be mentored by experienced internal senior mentors. The programme focuses on strategic leadership development, personalised mentorship, constructive challenge and feedback, and real-world application.</p> <p>A review of the Housing Service Senior Management has taken place and has been implemented and will continue to be implemented in 2025/25 to increase capacity to deliver the improvements required to respond to the Housing Regulator's judgement set out in Principle A.</p> <p>Investment in training and development programs enhances organisational capacity. A dedicated corporate training budget exists and where specific requirements are identified or refresher training needed, training is organised. This year key training courses organised included a strong emphasis on compliance with courses reaching large numbers of staff on a range of topics including working and leading safely, courses to support improvements in the housing service as well as effective complaint handling. The other focus for the year was on supporting staff with managing mental health with a range of courses organised.</p> <p>Continuous professional development is encouraged for all Council employees and the Chief Executive hosts and event each year to recognise those that have attained a professional qualification. Staff Appreciation Awards were also held in December 2024 with individual officers being recognised for their contributions to the council.</p> <p>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</p>

	<p>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 in the latter part of 2024/25/ .</p> <p>Member training has focused on supporting their community representative role with several well-received sessions on personal safety and mental resilience.</p> <p>Relocation of the Council’s Civic Centre took place 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.</p> <p>In order to increase capacity across the organisation, the council has begun to explore the use of Artificial Intelligence (AI). in particular, Microsoft Copilot as a way of creating time savings through task automation and user assistance. Areas for potential efficiency savings have been identified and users have been selected to pilot its use. To support the roll out of Microsoft Copilot, a policy will be developed in 2025/26.</p>		
Framework key components	<b>Capacity</b> <ul style="list-style-type: none"> <li>• Senior Leadership Team</li> <li>• Organisational Restructures</li> <li>• Directors Meetings</li> <li>• Director Service Sessions</li> <li>• Management Team</li> <li>• Programme Management Group</li> </ul>	<b>Leadership</b> <ul style="list-style-type: none"> <li>• Member Training Programme</li> <li>• Member Training Group</li> <li>• Forward Planning Days</li> </ul>	<b>Individual capacity</b> <ul style="list-style-type: none"> <li>• Mandatory training programme</li> <li>• Corporate Training Budget</li> <li>• Scheme of Delegation</li> </ul>

<b>Planned developments in 2025/26</b>	Produce a policy on use of Artificial Intelligence use to support the council maximise the potential benefits and efficiencies of its use.
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## 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.

**1. Internal Annual Audit Opinion**

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. Following a period of reduced capacity of the internal audit team due to significant staff changes and shortages, a partially successful recruitment has led to a period of greater stability within the team over the year. Overall progress on the planned programme of work delivered by internal audit has continued to improve with a greater number of audits completed in 2023/24 and this trend has continued into 2024/25. 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 I am able to draw a positive conclusion as to the adequacy and effectiveness of Ashford Borough Council’s risk

management, control and governance processes. 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 council has received disclaimed opinions for its two most recent audits (up to 2023-24) of its financial statements. This means that the external auditors were unable to provide an opinion and was as a result of the need to deliver in accordance with the Local Authority Backstop date, introduced by the Government to get Public Sector Audit back on track. This situation has led to a reduced level of assurance from our external auditors.
6. The core element of the report is the commentary on the values for money arrangements. Grant Thornton's annual report for the year ending 31 March 2024 was published in February 2025 and so the implementations of their recommendations can only commence from then and are therefore included in this AGS to explain the council's response and timetable for implementation over the coming year.
7. 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.
8. The recommendations and subsequent actions agreed by the council's management are set out at **Appendix A** of this AGS. The implementation of the actions will be monitored as part of the AGS review process throughout the year to ensure agreed timescales are met. Two actions were for consideration as part of this AGS and the response is included below.

### **Financial Sustainability**

9. The report identified significant weaknesses in arrangements in the financial arrangements identified in relation to the sustainability of the HRA resulting in a key recommendation and five improvement recommendations.
10. In response to the recommendation, a review of the council's MTFP will be actioned together with a savings strategy to ensure a sustainable budget.

### **Governance**

11. No significant weaknesses were identified but three improvement recommendations were made. IR5 related to the council's risk management function and it was agreed that consideration to the recommendation would be given as part of the AGS. Having reviewed the recommendation in light of the recent Risk Management Framework adoption, management have agreed to implement the recommended actions. The council's response to the other recommended actions are set out in the Appendix to this AGS.

### **Improving economy, efficiency and effectiveness**

12. No significant weaknesses were identified but two improvement recommendations were made. The report suggested that until the outcome of the stock condition survey was completed and business plan remodelled a viable Housing Revenue Account could not be evidenced.
13. IR8 recommended a partnerships policy/strategy could be developed with the aim of enhancing the council's arrangements. Management have agreed not to pursue this action as a priority given capacity of the relevant team and developments around Local Government Reform meaning that is not timely to create either a policy or strategy in this area.

#### Part 4: Planned developments to governance areas in 2025/26

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	Implement the agreed actions identified in response to the Value for Money report as set out at appendix A including those considered as part of this AGS.	Head of Policy and Performance to monitor delivery	31/03/2026
2	Update the council's Local Code 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.	Head of Policy and Performance	31/03/2026
3	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.	Assistant Head of Housing	31/03/2027
4	Review our Tenant Engagement Strategy	Assistant Head of Housing	31/03/2026
5	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.	Management Team	31/03/2026

6	To develop, adopt and communicate a Performance Management Framework for use by officers across the organisation.	Head of Policy and Performance	01/10/2025
7	Review the Committee report template	Democratic Services Officer	01/09/2025
8	Produce a policy on the use of Artificial Intelligence	Digital Transformation Manager	31/12/2025

## Conclusion and Opinion

In conclusion, Ashford Borough Council has a robust governance framework in accordance with the principles set out in CIPFA's '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: 27 June 2025