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Minutes of the meeting of the **GOVERNANCE COMMITTEE** held at the Council Offices, Whitfield on Thursday, 28 September 2017 at 6.00 pm.

Present:

Chairman: Councillor P G Heath

Councillors: B W Butcher
M I Cosin
M R Eddy
D Hannent
S J Jones

Also Present: Engagement Lead – Grant Thornton

Officers: Director of Governance
Director of Finance, Housing and Community
Head of Finance
Head of Audit Partnership (East Kent Audit Partnership)
Income Manager
Head of Finance (East Kent Housing)
Democratic Services Officer

10 APOLOGIES

An apology for absence was received from Councillor P I Carter.

11 APPOINTMENT OF SUBSTITUTE MEMBERS

There were no substitute Members appointed.

12 DECLARATIONS OF INTEREST

There were no declarations of interest made by Members.

13 MINUTES

The Minutes of the meeting of the Committee held on 29 June 2017 were approved as a correct record and signed by the Chairman.

14 ORDER OF BUSINESS

The Chairman proposed that the order of business be changed to allow for agenda items 7, 8 and 9 to be considered before agenda item 5.

RESOLVED: That, in accordance with Council Procedure Rule 14, the order of business be amended in order that agenda items 7, 8 and 9 be considered before item 5.

15 AUDIT FINDINGS REPORT

The Engagement Lead – Grant Thornton presented the Audit Findings report which highlighted the key matters arising from the audit of financial statements for the year ended 31 March 2017.

The opinion on the Council's Financial Statements and the conclusion on Value for Money were unqualified. A small number of disclosure amendments were identified to improve the presentation of the financial statements and no control weaknesses were identified.

Thanks were expressed by Grant Thornton and Members to the finance team for their assistance and quality of work during the audit.

RESOLVED: That the Audit Findings report be noted.

16 FINANCIAL OUTTURN REPORT 2016/17

The Head of Finance presented the Financial Outturn Report 2016/17 to the committee. Members were directed to the key points in the report for the financial outturn for the year and of which included:

- The General Fund was broadly balanced for the year, showing a small deficit of £12k before a budgeted transfer of £450k to the Business Rates and Council Tax Reserve which left the year-end General Fund balance at £2.5m;
- HRA balances (including earmarked HRA reserves) had been increased by £4.1m; and
- The total interest received for the year was approximately £344k which was higher than the original budget of £329k.

Members were advised that cash balances were slightly higher than previously and resulted in the interest increase.

RESOLVED: That the Financial Outturn report 2016/17 be noted.

17 STATEMENT OF ACCOUNTS 2016/17

The Head of Finance presented the report on the Statement of Accounts 2016/17 to the Committee. As previously reported to the Committee in the audit findings report, a small number of minor adjustments and disclosure amendments were made to the

draft statement of accounts provided to the auditors in order to improve the overall presentation of the financial statements.

RESOLVED: (a) That the audited Statement of Accounts for 2016/17 be approved and signed by the Chairman of the Committee.

(b) That the Committee authorises the Chairman to sign the Letter of Representation.

18 QUARTERLY INTERNAL AUDIT UPDATE REPORT

The Head of Audit Partnership introduced the Quarterly Internal Audit Update report to the Committee. There had been six audits undertaken during the period, of which three were classified as providing Substantial assurance, one as Reasonable and one with a split level of Substantial/Limited assurance. Whilst noting the Substantial assurance given to Homelessness Members expressed their concerns facing the challenges for the council in the future.

As a result of an audit report in June 2014 it had been identified that payroll exemptions were required to be reviewed on a regular basis and were required to be carried by either Dover or Thanet Councils. As this had yet to be confirmed a partially Limited assurance was placed on EKHR Benefits in Kind.

During the period six follow up reviews were completed and two priority recommendations were outstanding at the time of the follow ups. It was explained to Members that whilst dealing with facts and figures, there was an element of subjectivity when assessing services and that some areas may need time to embed new systems or processes to obtain a Substantial assurance level.

RESOLVED: That the report be noted.

19 TREASURY MANAGEMENT QUARTER ONE REPORT 2017/18

The Head of Finance introduced the Treasury Management Quarter One Report 2017/18 to the Committee. The Council's investment return for the quarter was above the benchmark at 0.45% and the income for the year was £655 better than the original budget estimate of £305k. £6 million had been invested in the CCLA property fund and was within the limit set in the Treasury Management Statement.

Whilst the Council remained within its Treasury Management and Prudential Code guidelines with an exception of briefly exceeding the £8m investment limit with the bank of Scotland for 11 days only.

RESOLVED: That the report be received and noted.

20 EXCLUSION OF THE PRESS AND PUBLIC

It was moved by Councillor D Hannent, duly seconded and

RESOLVED: That, under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the remainder of the business on the grounds that the items to be considered involved the likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A of the Act.

21 ANNUAL DEBT COLLECTION REPORT - EAST KENT SERVICES

The Director of Finance, Housing and Community presented the Annual Debt Collection Report for East Kent Services (EKS) to the Committee. The report provided Members with the value of income collected and write-offs undertaken by EKS on behalf of Dover District Council in 2016/17.

The Income Manager (EKS) advised Members that statutory and regulatory procedures had been followed for the collection of business rates.

RESOLVED: (a) Members resolved to note:

- (i) the value of income collected and write-offs for each type of income, as set out in the report;
- (ii) the generally high collection rates;
- (iii) the aged debt profile;
- (iv) the additional points set out in paragraph 8 of the report.

22 ANNUAL DEBT COLLECTION REPORT - EAST KENT HOUSING

The Director of Finance, Housing and Community presented the Annual Debt Collection Report for East Kent Housing (EKH) to the Committee. The report provided Members with the value of income collected and write-offs undertaken on behalf of Dover District Council in 2016/17.

RESOLVED: (a) Members resolved to note:

- (i) the value of income collected and write-offs for each type of income, as set out in the report;
- (ii) the generally high collection rates on key collection areas;
- (iii) the aged debt profile;
- (iv) the requirement to raise invoices for rechargeable works more promptly.

The meeting ended at 6.37 pm.