

# Public Document Pack



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26 September 2013

Dear Councillor

I am now able to enclose, for consideration at the meeting of the **GOVERNANCE COMMITTEE** on Thursday 26 September 2013 at 6.00 pm, the following reports that were unavailable when the agenda was printed.

4 **MINUTES** (Pages 2 - 5)

To confirm the attached Minutes of the meeting of the Committee held on 20 June 2013.

Yours sincerely

A handwritten signature in black ink, appearing to be "Nicky", written over a white background. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Chief Executive

Minutes of the meeting of the **GOVERNANCE COMMITTEE** held at the Council Offices, Whitfield on Thursday, 20 June 2013 at 6.00 pm.

Present:

Chairman: Councillor T J Bartlett

Councillors: K E Morris  
M R Eddy  
S J Jones  
A S Pollitt  
M A Russell

Also Present: Emily Hill, Engagement Lead – Grant Thornton

Officers: Director of Governance  
Head of Finance  
Mr S Hale (IT Business Manager - EK Services)  
Head of Audit Partnership (East Kent Audit Partnership)  
Deputy Head of Audit Partnership (East Kent Audit Partnership)  
Auditor (East Kent Audit Partnership)  
Team Leader – Democratic Support  
Democratic Support Officer

70 APOLOGIES

There were no apologies for absence received from Members.

Apologies were received from the Director of Finance, Housing and Community and Ms L Clayton (Engagement Manager – Grant Thornton).

71 APPOINTMENT OF SUBSTITUTE MEMBERS

It was noted that there were no substitute Members.

72 DECLARATIONS OF INTEREST

There were no declarations of interest from Members.

73 MINUTES

The Minutes of the meeting of the Committee held on 14 March 2013 were approved as a correct record and signed by the Chairman.

74 WORK PROGRAMME

The Director of Governance advised the Committee that a review of the Council's Constitution was required with regards to Member training. At Article 13 - Decision Making (Paragraph 13.09 Member Training), it currently stated:

'Only Members (and named substitutes where appropriate) who have received the appropriate training may serve on the Appeals, Licensing, Regulatory, Governance, Planning and Standards Committees'.

It was intended that a report would be brought to the September 2013 meeting of the Committee setting out the specifications for Member training to ensure consistent delivery to the required standard.

RESOLVED: That the report be noted.

## 75 ANNUAL INTERNAL AUDIT REPORT

The Head of Audit Partnership reported to the Committee a summary of the work completed by the East Kent Audit Partnership (EKAP) and details of the performance of the EKAP against its targets for the year ending 31 March 2013.

During 2012- 13, 93 recommendations were made in the final audit reports to Dover District Council. Although 87% of the recommendations were categorised as either a high or medium risk, Members were assured these were not significant that they needed to be escalated at that time. Any recommendations throughout the year that had been given a high priority and had not made progress were brought to members' attention through Internal Audit's quarterly update reports.

To each review, a level of 'assurance' was applied, that being; Substantial, Reasonable, Limited or No Assurance. EKAP had completed 25 pieces of work over the year with a total of 76% of the reviews obtaining substantial or reasonable assurance with 24% obtaining limited assurance. Managers responsible for implementing the recommendation made by audit were given an agreed review date. The follow ups showed that those awarded Limited Assurance had, at the time of the review, achieved reasonable assurance.

The Committee was informed that the Equality and Diversity audit had been deferred as the audit days had been required for another audit.

RESOLVED: That the report be noted.

## 76 QUARTERLY INTERNAL AUDIT UPDATE REPORT

The Senior Auditor reported to the Committee a summary of the work EKAP had completed since the last meeting in March 2013. Twelve internal audit reports had been completed during that period; three reviews classified as providing substantial assurance, six as reasonable assurance and two concluded limited assurance.

### (a) Software Licensing

Having been classified as Limited Assurance for Software Licensing on the grounds that no single comprehensive register of licences existed, the Head of ICT (EKS) advised the Committee that Microsoft had complex licensing models and EKS was exploring the option of procuring software to make it easier to compile a central register of software licensing instead of the several registers, not all of which were complete, that were currently operated.

### (b) Absence Management

The Committee was advised that while the three authorities shared the same policies in relation to absence management each had their own approach to implementing the policy. Dover District Council with its computer record system and absence management training for managers had the best system in place, although the Senior Auditor identified compliance with the system as a potential risk.

The Director of Governance emphasised that the Council applied a fair but robust approach to absence management and encouraged managers to engage with staff proactively over absence.

RESOLVED: That the update report be noted.

77 TREASURY MANAGEMENT YEAR END REPORT

The Financial Services Manager presented the Treasury Management Year End report to the Committee. The Committee was advised that the Council's internally managed investments had outperformed their benchmark and achieved a return of 1.26% for the year (34% of the year end investment). In addition, the Council's Investment Manager, Investec, had outperformed its benchmark with an average return of 1.01% (66% of the year end investment) for the year.

The Council remained within its Treasury Management and Prudential Code guidelines during the period.

RESOLVED: That the report be received and noted.

78 ANNUAL GOVERNANCE ASSURANCE STATEMENT 2012/13

The Director of Governance presented the Annual Governance Assurance Statement to the Committee. He advised Members that the Accounts and Audit Regulations (England) 2003, as amended by the Accounts and Audit (Amendment England) Regulations 2006, still required that the Council conduct at least annually, a review of the effectiveness of its System of Internal Control, and then publish a statement on internal control within the Annual Governance Assurance Statement.

In response to Councillor S J Jones question as to why Members had not been informed of the Information Commissioner's complaint that email addresses had been divulged in a global email, the Director of Governance advised that it would be reported to a future meeting.

RESOLVED:

(a) That the Annual Governance Assurance Statement for 2012/13 be agreed.

(b) That the Governance Committee be added to the 'Our Governance Framework' list set out on page 64 of the agenda.

79 GOVERNANCE COMMITTEE UPDATE FOR DOVER DISTRICT COUNCIL

The Engagement Lead – Grant Thornton presented the update to the Committee. The following areas of progress had been made up to 31 May 2013:

- Agreed the 2012/13 Accounts Audit Plan;
- The Interim Accounts Audit had been undertaken;
- The 2012/13 Final Accounts Audit had been initiated with a view to completion in August 2013;
- The Value for Money conclusion was nearly complete and would be reported to the Governance Committee in September 2013; and
- Grant Certification Work was on-going.

In response to a question from Councillor K E Morris it was stated that the review of internal audit had been completed but its findings would not be reported until after the completion of the Annual Audit Report.

RESOLVED: That the update be noted.

The meeting ended at 6.57 pm.