

Minutes of the meeting of the **GOVERNANCE COMMITTEE** held at the Council Offices, Whitfield on Thursday, 29 June 2017 at 6.05 pm.

Present:

Chairman: Councillor P G Heath

Councillors: B W Butcher  
P I Carter  
M R Eddy  
B Gardner (as substitute for Councillor M I Cosin)  
D Hannent  
S J Jones

Officers: Director of Governance  
Director of Finance, Housing and Community  
Head of Finance  
Head of Audit Partnership (East Kent Audit Partnership)  
Deputy Head of Audit Partnership (East Kent Audit Partnership)  
Democratic Support Officer

1 APOLOGIES

An apology for absence was received from Councillor M I Cosin.

2 APPOINTMENT OF SUBSTITUTE MEMBERS

It was noted that, in accordance with Council Procedure Rule 4, Councillor B Gardner had been appointed as substitute for Councillor M I Cosin.

3 DECLARATIONS OF INTEREST

There were no declarations of interest made by Members.

4 MINUTES

The Minutes of the meeting of the Committee held on 6 April 2017 were approved as a correct record and signed by the Chairman.

5 QUARTERLY INTERNAL AUDIT UPDATE REPORT

The Deputy Header of Audit Partnership (East Kent Audit Partnership) introduced the Quarterly Internal Update report. There had been three internal audits undertaken during the period of which two were classified as providing Substantial Assurance and one as Substantial/Reasonable Assurance.

Councillor Gardner queried the Planning Applications, Income and s106 Agreements Audit and the figures reported for the number of applications received and income over the last three years. It was his understanding that higher figures for the same information were reported to the Scrutiny (Policy and Performance) Committee and would in turn impact on the performance indicators. The Deputy Head of Audit Partnership would query this with the planning officers and advise the committee of their response.

It was also noted that the percentage of appeals against planning decisions which were successful for the applicant had significantly increased and concerns were raised surrounding the cost and staffing implications of the increase. The Director of Governance advised Members that this had been discussed at some length at Scrutiny (Policy and Performance) Committee and Cabinet meetings and that the reports to those meetings provided those figures.

There had been seven follow-up reviews completed during the period of which none were re-classified as Limited. An update was provided to Members that EKS – PCI DDC, which had previously been classified as Limited Assurance, had recently been reviewed and finalised and received Reasonable Assurance.

RESOLVED: That the Quarterly Internal Audit Update reported be noted.

## 6 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) together with details of the performance of the EKAP against its targets for the year ending 31 March 2017.

The original audit plan for 2016-17 included a total of 24 projects. A total of five projects were pushed back in the overall strategic plan to all allow four higher risk projects to come forward. The total number of projects undertaken was 23, with seven being work in progress at the year-end to be finalised in April.

There were no fundamental issues of note arising from the audits and follow ups undertaken in 2016-17 and no reviews were showing a limited assurance after follow up. From the work undertaken EKAP assessed the overall system of internal control in operation throughout 2016-17 as providing reasonable assurance.

RESOLVED: That the report be noted.

## 7 PROGRESS REPORT AND UPDATE YEAR ENDED 31 MARCH 2017

The Committee was asked to consider the Progress Report and Update - Year Ended 31 March 2017 of Grant Thornton (External Audit). In the absence of a representative from Grant Thornton the Director of Governance guided Members to the report and page 37 which provided a summary of their progress of work completed as at March 2017.

RESOLVED: That the report be noted.

8 TREASURY MANAGEMENT YEAR END REPORT

The Head of Finance introduced the Treasury Management Year End report to the Committee which covered the outturn for the year ended March 2017. Members were advised that new treasury advisers had been appointed, Arlingclose Ltd, from 1<sup>st</sup> April 2017 to explore alternative treasury management options.

The Council's in-house investment portfolio totalled £55.7m and the Council had remained within its Treasury Management and Prudential Code guidelines during the period. The Council's investment return for the year was 0.50%, which outperformed the benchmark by 0.18%, and had remained within budget.

RESOLVED: That the report be noted.

9 2016/17 ANNUAL GOVERNANCE ASSURANCE STATEMENT AND REVISED CORPORATE GOVERNANCE LOCAL CODE

The Director of Governance presented the Annual Governance Assurance Statement 2016/17 and Revised Corporate Governance Local Code report to the Committee.

The Annual Governance Assurance Statement was an annual review to look at the effectiveness of the system of internal control and the extent, to which the Council complied with its own Local Code of Corporate Governance.

As a result of a recently published revised Delivering Good Governance in Local Government Framework (2016 Edition) a new Corporate Governance Local Code had been written to reaffirm the Council's commitment to the principles of good governance which, with recommendations from the Governance committee, Cabinet and Council would be requested to adopt.

It was suggested by Councillor M R Eddy that a Reputational Risk should be included within the Risk Management Key Risk Areas as harm to the council's reputation could impact on the running of the business and the ability to function effectively. In addition, inappropriate comments about councillors had been inputted by the public onto the planning portal website and that this could also harm the Council's reputation. The Director of Governance advised that all departments ran training sessions on the holding of personal data and that the Head of Regeneration and Development would be asked to review this as part of the department's training.

RESOLVED: (a) That the Annual Governance Assurance Statement alongside the 2016/17 Statement of Accounts be accepted.

(b) That the Committee recommend to Council that the revised Corporate Governance Local Code, which reflects the Delivering Good Governance in Local Government Framework (2016 Edition), with the addition of the following text on page 29, be adopted:

IMPACT			
Key Risk Areas	High	Medium	Low
Reputational	Council unable to function effectively as public and partners have lost trust and/or respect	Loss of confidence in the Council	Loss of confidence in individual services

The meeting ended at 6.40 pm.