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20 June 2018

Dear Councillor

NOTICE IS HEREBY GIVEN THAT a meeting of the **GOVERNANCE COMMITTEE** will be held in the HMS Brave Room - Council Offices at these Offices on Thursday 28 June 2018 at 6.00 pm when the following business will be transacted.

Members of the public who require further information are asked to contact Jemma Duffield on (01304) 872305 or by e-mail at jemma.duffield@dover.gov.uk.

Yours sincerely

A handwritten signature in black ink, appearing to be "Jemma Duffield", written over a white background.

Chief Executive

Governance Committee Membership:

P G Heath (Chairman)
D Hannent (Vice-Chairman)
S F Bannister
B W Butcher
P I Carter
M I Cosin
M R Eddy

AGENDA

1 **APOLOGIES**

To receive any apologies for absence.

2 **APPOINTMENT OF SUBSTITUTE MEMBERS**

To note appointments of Substitute Members.

3 **DECLARATIONS OF INTEREST** (Page 4)

To receive any declarations of interest from Members in respect of business to be transacted on the agenda.

4 **MINUTES** (Pages 5 - 8)

To confirm the attached Minutes of the meeting of the Committee held on 8 March 2018.

5 **QUARTERLY INTERNAL AUDIT UPDATE REPORT** (Pages 9 - 37)

To consider the attached report of the Head of Audit Partnership.

6 **ANNUAL INTERNAL AUDIT REPORT** (Pages 38 - 54)

To consider the attached report of the Head of Audit Partnership.

7 **2017/18 ANNUAL GOVERNANCE ASSURANCE STATEMENT** (Pages 55 - 75)

To consider the attached report of the Director of Governance.

8 **REVIEW OF THE CONSTITUTION 2018 - GENERAL AND ADMINISTRATIVE AMENDMENTS**

To consider the report of the Director of Governance (to follow).

9 **REVIEW OF THE CONSTITUTION 2018 - FINANCIAL PROCEDURE RULES AND BUDGET AND POLICY FRAMEWORK PROCEDURE RULES** (Pages 76 - 100)

To consider the attached report of the Director of Governance (Monitoring Officer).

Access to Meetings and Information

- Members of the public are welcome to attend meetings of the Council, its Committees and Sub-Committees. You may remain present throughout them except during the consideration of exempt or confidential information.
- All meetings are held at the Council Offices, Whitfield unless otherwise indicated on the front page of the agenda. There is disabled access via the Council Chamber entrance and a disabled toilet is available in the foyer. In addition, there is a PA system and hearing loop within the Council Chamber.
- Agenda papers are published five clear working days before the meeting. Alternatively, a limited supply of agendas will be available at the meeting, free of charge, and all agendas, reports and minutes can be viewed and downloaded from our website www.dover.gov.uk. Minutes are normally published within five working days of each meeting. All agenda papers and minutes are available for public inspection for a period of six years from the date of the meeting.
- If you require any further information about the contents of this agenda or your right to gain access to information held by the Council please contact Jemma Duffield,

Democratic Services Officer, telephone: (01304) 872305 or email:
jemma.duffield@dover.gov.uk for details.

Large print copies of this agenda can be supplied on request.

Declarations of Interest

Disclosable Pecuniary Interest (DPI)

Where a Member has a new or registered DPI in a matter under consideration they must disclose that they have an interest and, unless the Monitoring Officer has agreed in advance that the DPI is a 'Sensitive Interest', explain the nature of that interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a DPI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation permitting them to do so. If during the consideration of any item a Member becomes aware that they have a DPI in the matter they should declare the interest immediately and, subject to any dispensations, withdraw from the meeting.

Other Significant Interest (OSI)

Where a Member is declaring an OSI they must also disclose the interest and explain the nature of the interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a OSI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation to do so or the meeting is one at which members of the public are permitted to speak for the purpose of making representations, answering questions or giving evidence relating to the matter. In the latter case, the Member may only participate on the same basis as a member of the public and cannot participate in any discussion of, or vote taken on, the matter and must withdraw from the meeting in accordance with the Council's procedure rules.

Voluntary Announcement of Other Interests (VAOI)

Where a Member does not have either a DPI or OSI but is of the opinion that for transparency reasons alone s/he should make an announcement in respect of a matter under consideration, they can make a VAOI. A Member declaring a VAOI may still remain at the meeting and vote on the matter under consideration.

Note to the Code:

Situations in which a Member may wish to make a VAOI include membership of outside bodies that have made representations on agenda items; where a Member knows a person involved, but does not have a close association with that person; or where an item would affect the well-being of a Member, relative, close associate, employer, etc. but not his/her financial position. It should be emphasised that an effect on the financial position of a Member, relative, close associate, employer, etc OR an application made by a Member, relative, close associate, employer, etc would both probably constitute either an OSI or in some cases a DPI.

Minutes of the meeting of the **GOVERNANCE COMMITTEE** held at the Council Offices, Whitfield on Thursday, 8 March 2018 at 6.02 pm.

Present:

Chairman: Councillor P G Heath

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

Officers: Director of Governance
Director of Property Services (East Kent Housing)
Head of Audit Partnership (East Kent Audit Partnership)
Deputy Head of Audit Partnership (East Kent Audit Partnership)
Head of Finance
Engagement Lead - Grant Thornton
Democratic Services Officer

30 APOLOGIES

There were apologies for absence received from Councillors M I Cosin and S J Jones.

31 APPOINTMENT OF SUBSTITUTE MEMBERS

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

32 DECLARATIONS OF INTEREST

There were no declarations of interest made by Members.

33 MINUTES

The Minutes of the meeting of the Committee held on 7 December 2017 were approved as a correct record and signed by the Chairman.

34 QUARTERLY INTERNAL AUDIT UPDATE REPORT

The Deputy Head of Audit Partnership (East Kent Audit Partnership) (EKAP) introduced the Quarterly Internal Update report. There had been six internal audit reports undertaken during the period of which the following assurances were received:

Service/Topic	Assurance Level
CCTV	Substantial
Scheme of Officer Delegations	Substantial

Officers' Code of Conduct & Gifts & Hospitality	Reasonable
Local Code of Corporate Governance	Reasonable
East Kent Housing – Fire Risk Assessment Processes and Records Management	Limited
EK Services – Housing Benefit Quarterly Testing (Quarter 2 of 2017/18)	Not Applicable

Two follow up audit reviews were completed to ensure that the recommendations previously made had been implemented. Included in those reviews was East Kent Housing – Fire Risk Assessment Processes and Records Management from the quarter's audits. This had been reviewed in September 2017 and a follow up review was carried out in January 2018. Following this a Reasonable Assurance level was awarded. The Director of Property Services (East Kent Housing) (EKH) was in attendance to provide further reassurance to the Committee.

There had been a multi-agency response across Kent to Grenfell and inspections were undertaken by Kent Fire and Rescue and Building Control, including EKH whose knowledge and skill set it was acknowledged was above and beyond that of EKAP. Throughout Kent there were 87 high risk buildings (as categorised by central government) of which none were within Dover's district and Members were assured that no buildings within the district were at risk. Tenants had been notified and reassured over a three month period that the properties were safe and secure. Members were advised that 101 properties required a Type 3 fire risk assessment and these had been completed. Furthermore, where there was a statutory obligation to have a fire alarm in place, they were in place.

A new central database had also been procured by the way of the Pyramid system which would provide ongoing monitoring processes, generate reports to assist in maintenance work that needed to be carried out as well as provide status reports to management.

Following the follow up review, a Reasonable/Limited Assurance level was given to Performance Management and the two high priority recommendations still outstanding after follow up were escalated to management. The audit had highlighted some differences between the opinions of internal audit and senior management in the way business or service plans and staff appraisals were used and documented. Members were advised that changes were being made to the Council's appraisal process and CMT were considering whether a less formal approach to the current PPR process would be desired, whilst still capturing training and development needs.

RESOLVED: That the report be noted.

35 DRAFT INTERNAL AUDIT PLAN 2018-19

The Head of Audit Partnership presented the proposed Internal Audit Plan for 2018/19 which provided a breakdown of audits and an analysis of days available.

The Audit Plan supported the Audit Charter and set out the planned areas of audit work for the next year with indicative proposals for future years. The plan had been modified to reflect emerging risks and opportunities identified by the Chief Executive, Directors and the links to the Council's Corporate Plan and Corporate Risk Register. In addition the top ten identified risks by the Institute of Internal Audit were considered for inclusion.

The Audit Plan 2018/19 proposed 270 days and 19 audits, working on the basis that the highest risk areas would be reviewed as a priority and all of the medium risk areas would be reviewed.

RESOLVED: That the Council's Internal Audit Plan for 2018/19 be approved.

36 TREASURY MANAGEMENT QUARTER THREE REPORT 2017/18

The Head of Finance presented the Treasury Management report for Quarter 3 2017/18.

Arlingclose Limited were appointed as of 1st April 2017 as the Council's treasury advisors and had proposed various investment options that would help to improve returns and spread risk. It was proposed by the Investment Advisory Group at their meeting on 4 October 2017 to deposit up to £28m into a number of pooled investment funds to improve income. The investment return for the year-to-date was 0.65%, which outperformed the benchmark by 0.25%. Actual interest and dividends income to the end of December was £316k, an increase compared with the year-to-date budget of £229k.

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

RESOLVED: That the report be noted.

37 ANNUAL GOVERNANCE ASSURANCE STATEMENT

The Director of Governance presented the forward looking action plan for the Annual Governance Assurance Statement to the Committee which provided a list of actions which needed to be completed during the year and the progress to date.

It was reported that the actions were progressing as planned and the Council's Constitution was regularly reviewed and updated where necessary. A report of the latest revisions to the Constitution would be brought to the next meeting of the Committee.

RESOLVED: That the report be noted.

38 EXTERNAL AUDIT PLAN

The Engagement Lead – Grant Thornton presented the report which provided an overview of the planned scope and timing of the statutory audit of Dover District Council and directed Members to the summary of the Significant Risks set out within the report.

RESOLVED: That the report be noted.

39 ANNUAL COMPLAINTS REPORT

The Director of Governance presented the Annual Complaints Report to the Committee which provided the number of complaints dealt with through the corporate complaints process for the previous and current financial years.

Members were advised that a low number of complaints had been received and the Director of Governance was satisfied with the way complaints were dealt with. There were significant increases in the complaints received for Environmental Health Fixed Penalty Notices (FPNs) and Planning Enforcement. FPNs were now issued by Kingdom and the number of notices issued had greatly increased which probably accounted for the increase in complaints due to the public being unhappy with the fine.

RESOLVED: That the report be noted.

40 REVIEW OF THE CONSTITUTION - GENERAL REVISIONS

The Director of Governance advised Members that the Review of the Constitution – General Revisions report was to be deferred to the next meeting of the Governance Committee.

41 REVIEW OF THE CONSTITUTION 2018 - TRAINING AND DEVELOPMENT FOR MEMBERS

The Director of Governance introduced the report to the Committee which requested changes to the Constitution as a result of the annual review by the Monitoring Officer.

As part of the 2017/18 review, changes were proposed to the training requirements as detailed in Article 13 to serve on the Licensing, Regulatory, Governance and Planning Committees. It was proposed to extend the training requirement of these committees to be undertaken at least once each council year, in addition to the initial start of the new 4 year Council and in the event of the membership changes to one of the committees.

RESOLVED: That it be recommended to Council that the proposed changes as part of the 2017/2018 Review of the Constitution relating to Part 2 – Articles of the Constitution, specifically Article 13 – Decision Making Appendix B to E (Training Criteria for various committees) as detailed at para 2.1 of the report be approved and incorporated into the Council's Constitution, issue no. 21.

Amendments to Article 13 Appendix D are approved as shown at Annex 1 to the report and the Director of Governance and Monitoring Officer be authorised to make any associated incidental changes to the Constitution.

The meeting ended at 7.00 pm.

Subject: QUARTERLY INTERNAL AUDIT UPDATE REPORT

Meeting and Date: Governance Committee – 28th June 2018

Report of: Christine Parker – Head of Audit Partnership

Decision Type: Non-key

Classification: Unrestricted

Purpose of the report: This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting, together with details of the performance of the EKAP to the 31st May 2018

Recommendation: That Members note the update report.

1. Summary

This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting.

2. Introduction and Background

- 2.1 For each Audit review, management has agreed a report, and where appropriate, an Action Plan detailing proposed actions and implementation dates relating to each recommendation. Reports continue to be issued in full to each member of Corporate Management Team, as well as an appropriate manager for the service reviewed.
- 2.2 Follow-up reviews are performed at an appropriate time, according to the status of the recommendation, timescales for implementation of any agreed actions and the risk to the Council.
- 2.3 An Assurance Statement is given to each area reviewed. The assurance statements are linked to the potential level of risk, as currently portrayed in the Council's risk assessment process. The assurance rating given may be Substantial, Reasonable, Limited or No assurance.
- 2.4 Those services with either Limited or No Assurance are monitored, and brought back to Committee until a subsequent review shows sufficient improvement has been made to raise the level of Assurance to either Reasonable or Substantial. A list of those services currently with such levels of assurance is attached as Annex 2 to the EKAP report.
- 2.5 The purpose of the Council's Governance Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent review of the Authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.
- 2.6 To assist the Committee meet its terms of reference with regard to the internal control environment an update report is regularly produced on the work of internal audit. The purpose of this report is to detail the summary findings of completed audit

reports and follow-up reviews since the report submitted to the last meeting of this Committee.

SUMMARY OF WORK

- 2.7 There have been sixteen internal audit assignments completed during the period, of which two concluded Substantial assurance, one concluded Substantial/Reasonable, ten concluded Reasonable assurance, and one concluded Reasonable/Limited assurance. There were two other pieces of work for which an assurance level is not applicable as they comprised quarterly housing benefit testing.
- 2.8 In addition two follow-up reviews have been completed during the period, which is detailed in section 3 of the quarterly update report.
- 2.9 For the period to 31st May 2018, 47.32 chargeable days were delivered against the revised target of 242.89, which equates to 19.48% plan completion.

3 Resource Implications

- 3.1 There are no additional financial implications arising directly from this report. The costs of the audit work will be met from the Financial Services 2018-19 revenue budgets.
- 3.2 The financial performance of the EKAP is currently on target at the present time.

Appendices

Appendix 1 – Internal Audit update report from the Head of the East Kent Audit Partnership.

Background Papers

- Internal Audit Annual Plan 2018-19 - Previously presented to and approved at the 8th April 2018 Governance Committee meeting.
- Internal Audit working papers - Held by the East Kent Audit Partnership.

Contact Officer: Christine Parker, Head of Audit Partnership



INTERNAL AUDIT UPDATE REPORT FROM THE HEAD OF THE EAST KENT AUDIT PARTNERSHIP.

1. INTRODUCTION AND BACKGROUND

1.1 This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting, together with details of the performance of the EKAP to the 31st May 2018.

2. SUMMARY OF REPORTS:

Service / Topic		Assurance level	No. of Recs.	
2.1	EKS – ICT Data Management	Substantial	C H M L	0 1 1 0
2.2	Environmental Crime Enforcement	Substantial	C H M L	0 0 1 0
2.3	Phones, Mobiles & Utilities	Substantial/ Reasonable	C H M L	0 0 3 1
2.4	External Funding Protocol	Reasonable	C H M L	0 3 3 0
2.5	Car Parking & Enforcement	Reasonable	C H M L	0 1 2 1
2.6	Compliance with Contract Standing Orders	Reasonable	C H M L	0 0 5 0
2.7	East Kent Housing – Risk Management	Reasonable	C H M L	0 0 3 1
2.8	Service Contract Monitoring	Reasonable	C H M	0 1 4

			L	1
2.9	Licensing	Reasonable	C H M L	0 1 2 0
2.10	East Kent Housing – Complaints Monitoring	Reasonable	C H M L	0 1 3 3
2.11	East Kent Housing – Data Protection & Records Management	Reasonable	C H M L	0 3 1 0
2.12	East Kent Housing – Leasehold Services	Reasonable	C H M L	0 0 5 1
2.13	East Kent Housing – Property Service Improvement Plan	Reasonable	C H M L	0 0 1 0
2.14	East Kent Housing – Safeguarding Children & Vulnerable Groups	Reasonable/Limited	C H M L	0 4 0 0
2.15	EK Services – Housing Benefit Quarterly Testing (Quarter 3 of 2017-18)	Not Applicable		
2.16	EK Services – Housing Benefit Quarterly Testing (Quarter 4 of 2017-18)	Not Applicable		

2.1 EKS: ICT Data Management – Substantial Assurance

2.1.1 Audit Scope

To ensure that the procedures and internal controls established by EK Services are sufficient to provide an effective, efficient, secure and economical ICT service to the three partner authorities of Canterbury CC, Dover DC and Thanet DC. An important aspect of this being to ensure that the controls over the administration of ICT electronic files, for data protection purposes and back ups are robust and sufficient to enable EK Services to provide the level of ICT service required by the partner Councils.

2.1.2 Summary of Findings

EK Services is currently made up of Customer Services, Income and Payments, ICT and EKHR. Customer Services and Income and Payments are shortly due to be transferred to Civica. This audit focuses on data management within EKS ICT Services and the partner councils, since the councils are the data controllers.

The partner councils formed the East Kent Corporate Information Governance Group (CIGG) in 2016. EKS, ICT and EKHR are represented at this group. The CIGG set up a Data Protection sub group to deal with the new General Data Protection Regulations (GDPR) which take effect in May 2018.

The primary findings giving rise to the Substantial Assurance opinion in this area are as follows:

- ICT is not a data controller or processor but provides the partner councils with the means to store data and maintain a secure network, as per the Service Level Agreement;
- Many up to date ICT policies are in place which have been lead by ICT and agreed by CIGG; the policies are displayed on the partner councils' intranet sites;
- Network access is password protected and an up to date password policy is in place;
- Back-ups take place on an incremental change basis and there is a back-up of the back-up;
- An ICT disaster recovery procedure is in place and each partner council has its own disaster recovery/business continuity plan linked to this;
- ICT will advise on cloud security though this is outside of its current remit.

Scope for improvement was identified in the following areas:

- It is advisable for EKS as a whole to investigate the GDPR requirement to appoint a Data Protection Officer, which could be part of shared service.
- Partner councils and/or CIGG should consider the adoption of the draft cloud policy/guidance, particularly if cloud is to be used more increasingly in the future.

2.2 Environmental Crime Enforcement – Substantial Assurance

2.2.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the contractor and the authority are complying with the contract agreement in respect of environmental crime.

2.2.2 Summary of Findings

Environmental crime impacts on the state of the district and the lives of its residents and visitors. To assist the authority Members gave approval for a contractor to be utilised with a predominantly litter enforcement service that has achieved results in the number of fixed penalty notices that have been issued across the district.

The primary findings giving rise to the Substantial Assurance opinion in this area are as follows:

- A signed contract is in place for the service provided by the contractor and authority to extend the service for another year will be sought from Cabinet.
- Contract monitoring processes are in place with monthly meetings being held to address any service issues and to review payments and the invoices that are raised.
- Performance indicators are in place to reflect the service that is being carried out for both litter and dog fouling. With the litter enforcement there has been an increase of 1800% in respect of the number of fixed penalty notices issued for litter compared to the previous financial year.

Scope for improvement was identified in the following areas:

- Following the recent financial problems nationally, and subsequent collapse of Carillion, the Environmental Crime Team Leader should consider carrying out due diligence and financial checks before extending the existing arrangements further.
- Unfortunately, due to staffing issues, for long periods of time Environmental Health did not have a full complement of internal officers and this has impacted on the dog fouling service. As a result the amount of dog fouling Fixed Penalty Notices is lower than usual. Although an improvement in this service area is reported during quarter four of 2017-18 with ten Fixed Penalty Notice`s having been issued for dog.

2.3 Phones, Mobiles and Utilities – Substantial/Reasonable Assurance

2.3.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that Council expenditure on telephones, mobiles and utilities is adequately monitored and reviewed.

2.3.2 Summary of Findings

Utilities and communication are a significant expenditure for the authority and there is therefore a need to ensure that market testing is carried out on a regular basis to ensure that the authority is obtaining the best rates for the supplies of electricity, gas, water and telephones that it requires.

Management can place Substantial Assurance on the system of internal controls in operation for Telephones and Mobile Communications and Reasonable Assurance for Utilities.

The primary findings giving rise to the Substantial Assurance opinion for Telephones and Mobile Communications and the Reasonable Assurance on Utilities are as follows:

- A major telephony project has been carried out with Canterbury City Council and Thanet District Council which has delivered savings on the cost of telephone calls and on line rental.
- A list of all mobile devices is in use and processes are in place to review business cases made by Managers for their staff to be allocated a mobile phone or a tablet.
- As part of the ongoing upgrade programme for mobile phones employees are required to sign to confirm receipt of the mobile phone and also agreement to comply with appropriate policies. This could be further extended to new employees when they receive their mobile phone and could also make reference to the Health and Safety Code of Practice on Mobile Phones.
- Discussions have commenced in respect of market testing exercises to be carried out in respect of the various utility services during 2018.
- Monitoring of expenditure on utilities and telephones is carried out and any variances are investigated.

Scope for improvement was identified in the following areas:

- Agreed notification processes need to be put in place between Property Services and Accountancy to notify them of any changes to the utilities (i.e. change in lease means that tenant should be paying for utility services) for corporate properties. As delays in providing the information may mean that the authority is paying for services / supplies that it may not have had, or should have been recharged to leaseholders.
- In addition to the above, current issues with specific queries that need to be addressed should be resolved (i.e. raise recharges that may have to be made to leaseholders).

2.4 External Funding Protocol - Reasonable Assurance

2.4.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council has established an appropriate level of control to reduce the risk of grant repayment and that these controls are adhered to by all members of staff applying for external funding.

2.4.2 Summary of Findings

During times of austerity, successful external funding bids can assist an authority to achieve objectives that can benefit its local residents when its current financial situation may otherwise make these objectives unachievable. Processes need to be in place to ensure that all external funding bid submissions are of a consistent high quality so that they give the authority every chance of being successful.

The primary findings giving rise to the Reasonable Assurance opinion in this area are as follows:

- Assessment processes are in place to ensure that the authority is seeking the right opportunities and not just submitting external funding bids for the sake of doing so, which would take up officer time and impact on day to day service delivery.
- From the sample of external funding bids examined, which cover a period of several years, and which have gone through the Funding and Communication Manager there are records and documentation in place to support the External Funding Protocol being followed.
- The Funding and Communication Manager is now receiving the weekly CMT policy briefing document produced by Leadership Support that identifies possible external funding streams that may be bid for.

Scope for improvement was identified in the following areas:

- The External Funding Protocol and supporting flowchart need to be reviewed and revised to put in place simple processes that support corporate objectives and aligns with capital projects in the Medium Term Financial Plan when external funding bids are being compiled.
- The External Resourcing Co-Ordination Group (ERCG) should commence meeting again on a regular basis to assess funding opportunities, bid documentation, and ongoing monitoring of successful bids to ensure that they are complying with the funding criteria.

- Staff should be reminded that all external funding bids should go through the Funding and Communications Manager who can assist in ensuring that the quality of the bid documentation meets the required standard so that the authority has every chance of being successful.
- Where bids have been unsuccessful any feedback or lessons to learned should be communicated to staff to assist them in improving future submissions.

2.5 Car Parking & Enforcement – Reasonable Assurance

2.5.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that:

- Car park machine income (on-street and off-street), is adequately monitored and reconciled to expected income and that income trends are monitored for individual car parks for management information.
- Income due to the Council from PCNs is adequately monitored and reconciled to expected income and that income trends are monitored for management information.

2.5.2 Summary of Findings

Car parking is a large, involved service area to administer; it generates a significant amount of income for the Council and is often a sensitive issue amongst residents and visitors. Car park fees were increased in April 2016 after being previously frozen for four years.

The Council installed 70 new car park machines across all of its' on and off street sites during October to December 2016. Due to the regeneration of the seafront area in Dover a new coach park site is to be located, meaning that 69 out of the 70 machines are currently operational. The parking machines are now linked to a sophisticated back-office system call Smartfolio, which improves controls and efficiency.

The table below shows the main parking income streams for the last three years:

Income	2017/18 (to Dec 2017)	2016/17	2015/16	2014/15
Off-street pay & display	1,134,409	1,400,700	1,286,970	1,236,105
Off-street PCN	82,943	76,249	66,390	70,498
On-street pay & display	243,613	292,666	306,741	316,787
On-street PCN	184,790	284,136	215,130	195,411

As can be seen from the above, on-street pay and display income has been steadily decreasing whilst on-street PCN income is rising. The decrease in on-street pay and display income may be due to some machine failures in 2014, 2015, and 2016. The increase in PCN income may be due to staff capacity and experience. Off-street pay and display income looks to be steadily rising and this may be due in part to the increase in fees in 2016/17.

The on-street and off-street parking budgets were reviewed by the auditor and other than the above comments, no other extraordinary observations were made. Limited

time on this review did not allow for any income trend analysis, however this information is produced by the parking Administration Officer.

The primary findings giving rise to the Reasonable Assurance opinion in this area are as follows:

- Controls for recording cash income are strong, especially with the introduction of the Smartfolio system;
- Financial reconciliations are robust and timely;
- Many manual processes are removed by the 3Sixty System with regard to recovering PCN income through the various stages; and
- The introduction of a new permit system in April will provide more efficiency and self-service.

Scope for improvement was identified in the following areas:

- ticket stationery correctly displaying the VAT number and Council's name must be purchased and installed in parking machines as soon as possible; and
- The parking reconciliation spreadsheets should be enhanced to include sub-totals and totals for variances, formulas for euros and possibly conditional highlighting for audit ticket numbers.

2.6 Compliance with Contract Standing Orders – Reasonable Assurance:

2.6.1 Audit Scope

The Council's practices for the procurement of goods and services achieves economic cost and good value for money and Contract Standing Orders and the guidance and supporting procurement practices / user instructions are relevant and complied with as appropriate across both the authority and the shared services that spend on the Council's behalf.

2.6.2 Summary of Findings

Contract Standing Orders are the rules and guidance that ensure that the Council is carrying out purchasing decisions and processes correctly as it is the public purse that is funding them. They provide a structure for procurement decisions to ensure that the Council furthers its corporate objectives, uses its resources efficiently, purchases quality goods and safeguards its reputation from any implication of dishonesty or corruption.

The primary findings giving rise to the Reasonable Assurance opinion in this area are as follows:

- All procurement over £10,000 has to be signed off by the Procurement Manager and is challenged to ensure that value for money has been obtained and that the correct processes have been followed (i.e. 3 quotes where applicable).
- Information to assist officers in following the procurement processes is available on the intranet but there is a need to ensure that it agrees to the information on the Contract Standing Orders. (See point below)
- Going forward the installation of the EPROC system will enhance authorisation processes and remove the need for current internal paper process for procuring goods and services.

- Processes are in place for waivers to be applied for and a central record is held for those that have been submitted.

Scope for improvement was identified in the following areas:

- There is a need to ensure that the information made available to employees in respect of procurement processes and financial thresholds that are shown in the Contract Standing Orders, Financial Procedure Rules and the Constitution are the same (i.e. The EU thresholds).
- When purchase orders are submitted there is a need to ensure that they have been completed correctly (i.e. properly authorised) and any that are not, should be returned to the applicable department for completion before they are processed.

2.7 East Kent Housing: Risk Management – Reasonable Assurance

2.7.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the organisation adopts best practices in the identification, evaluation and cost effective control of risks to ensure that they are reduced to an acceptable level or eliminated, and also maximise opportunities to achieve the organisation's visions and priorities.

2.7.2 Summary of Findings

Under the Companies Act it is a legal requirement to have a sound system of internal control, including adequate and effective risk management. The EKH Finance & Audit Sub-Committee has delegated responsibility through their terms of reference to manage risk which includes the risk register, risk strategy and risk management process.

At November 2017 East Kent Housing were managing 9 strategic risks and 17 operational risks on their Strategic Risk Register. The five highest scoring risks after mitigation scored by senior management were: -

- Higher Debt Levels when the Welfare Reform changes are introduced (4/9);
- Safeguarding of vulnerable adults & children (3/9);
- Data Protection breach – (3/9);
- Non-Compliance with legislation and regulation (3/9); and
- Failure to address control issues with contracts to Council satisfaction (3/9).

The primary findings giving rise to the Reasonable Assurance opinion in this area are as follows:

- The fundamental risk management processes are working well and meet the requirements of the Companies Act 2006;
- A Risk Management Strategy has been formally adopted and contains a good level of guidance and information;
- Roles and responsibilities are well documented and well established;
- Risk identification routines are working effectively; and

- Risk scoring is generally good and the audit trail of changes made to the Strategic Risk Register is well documented.

A number of areas for improvement have been identified in the following areas:

- A new comprehensive risk scoring matrix could be adopted which will solve a number of the issues identified within this risk management audit report; and
- Some misalignment was identified between practices set out in the Risk Management Strategy and operational risk management practices.

2.8 Service Contract Monitoring – Reasonable Assurance

2.8.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council derives the maximum possible value and the highest level of performance and customer satisfaction from its service contracts.

2.8.2 Summary of Findings

Although the initial awarding of the contract is done via Procurement, the contract monitoring is undertaken by various members of staff across the organisation. A sample of five contracts was selected from the contract register and the relevant managers contacted and asked to complete an Internal Control Questionnaire. It should be noted that only four of the five Internal Audit Questionnaires were returned during the process, and that two of these were from the same manager.

The primary findings giving rise to the Reasonable Assurance opinion in this area are as follows:

- All contract documentation is documented centrally with a computerised system which is easily accessible to the public, contractors, staff etc.;
- Administration of the Contract Register is well controlled;
- All stages of contract letting has been well documented and evidenced and published in a real time manner; and
- Budget monitoring procedures are well documented and easily accessible to staff and managers.

Scope for improvement was identified in the following areas:

- There are no set procedures in place; current working practices need to be documented to ensure a consistent approach is undertaken across the authority;
- A training regime needs to be established for budget managers and client officers for both financial and non-financial contract monitoring and reporting.

2.9 Licensing – Reasonable Assurance:

2.9.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that licences are issued correctly to applicants who qualify for the various licensing categories, that information is recorded accurately

and the income receivable by the Council is collected correctly and on a timely basis in line with the procedures laid down.

2.9.2 Summary of Findings

Dover District Council has responsibilities under the Licensing Act 2003 and the Gambling Act 2005 to promote the following objectives across the district:

- The prevention of crime and disorder;
- Ensuring that gambling is conducted in a fair and open way;
- Public Safety;
- The prevention of public nuisance; and
- The protection of children and other vulnerable persons from being harmed or exploited by gambling.

The primary findings giving rise to the Reasonable Assurance opinion in this area are as follows:

- Procedure notes are in place to assist with the various processes that are carried out by the Licencing staff. Although it should be noted that they will have to be revised to reflect when the licensing function moves across to the Uniform system during 2018.
- Banking processes are carried out in accordance with the Financial Procedure Rules.
- Policies are in place and are reviewed on a regular basis to support the various licensing functions carried out.
- Annual cost neutral exercises are carried out to ensure that the service is not making a profit over a rolling 3 year period and the fees and charges are set accordingly, as per legislation.

Scope for improvement was identified in the following areas:

- There are currently no processes in place to chase for outstanding small lottery returns that have to be submitted each financial year within designated timeframes as per gambling legislation.
- The fees and charges are shown on the Council website within the various Licensing areas. However, there is not an approved charge by Members for the Knowledge Resit fee of £26 that is shown on the Council website. An exercise needs to be carried out to ensure that all of the fees and charges shown on the Council website agree to the ones approved by Members.
- The licensing register that is available to the public currently shows information that is not correct or is out of date compared to the information on M3. This is going to be resolved as part of the move to the new Uniform system and to ensure that the information available to the public is up to date and complies with data protection regulations.

2.10 East Kent Housing: Complaints Monitoring – Reasonable Assurance

2.10.1 Audit Scope

Complaints, comments and compliments are an important source of feedback; they can tell an organisation a lot about the way they work, and provide opportunities to improve and affect perception. How an organisation handles complaints is therefore

crucial; handling them well can have a lasting positive effect on reputation; handling them poorly can be very damaging and can make a negative perception even worse.

2.10.2 Summary of Findings

The regulatory standard on tenant involvement and empowerment sets out the minimum requirements for a housing organisation's handling of complaints. It sets out the required outcome that: *'Registered providers shall have an approach to complaints that is clear, simple and accessible and that ensures that complaints are resolved promptly, politely and fairly.'*

An effective approach to complaints handling can have a significant impact on the quality of the services provided and on the satisfaction of tenants: -

- An opportunity to put right any service failures; and a well handled complaint can turn a dissatisfied customer into a satisfied one.
- For tenants, making a complaint is the simplest way of holding their landlord to account and letting them know when they perceive that services need to be improved.
- Complaints are a useful source of information about service delivery, identify where recurring and underlying problems are, and therefore provide the opportunity to make improvements.

Complaints, feedback and compliments received since a designated Complaints Officer has been in post from 01/10/2017 to 03/01/2018 are as follows:

	Canterbury	Dover	Folkestone & Hythe	Thanet	Housing Management	TOTAL
Cllr/ MP	31	10	5	3	0	49
Complaints	19	23	15	5	0	62
Ombudsmen	0	0	0	1	0	1
Compliments	1	1	2	2	2	8
TOTALS	52	34	22	11	2	121

Management can place Reasonable Assurance on the system of internal controls in operation, based on the proactive action currently being taken by EKH to develop an effective complaints management, monitoring and lessons learnt process. These processes are however yet to be fully embedded into EKH.

The primary findings giving rise to the Reasonable Assurance opinion in this area are as follows:

- A dedicated Complaints Officer is now in post to enable a consistent approach to be applied to dealing with, and recording complaints.
- Clear timescales have been set for processing and responding to complaints; which are being met.
- EKH is being proactive in developing effective complaints reporting to enable lessons to be learnt from recurring themes and issues; this is a new process which is evolving now that a dedicated Complaints Officer is in post and complaints recording and monitoring processes are improving.

Scope for improvement was identified in the following areas:

- Although there are both Comments, Complaints and Compliments Policy, and a Vexatious Complaints Policy, both require updating to reflect changes to process and procedures.
- Complaints data should be regularly published.
- Information to customers and staff regarding the complaints process must be kept up to date.

2.11 East Kent Housing: Data Protection & Records Mgmt. – Reasonable Assurance

2.11.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that:

- 1 The organisation creates, holds, and maintains personal information about living individuals in accordance with the requirements of the legislation and deals with subject access requests and information sharing requests correctly; and
- 2 The authenticity, reliability, integrity and usability of the organisation's records are adequately maintained.

2.11.2 Summary of Findings

The General Data Protection Regulation (GDPR) 2018 comes in to effect from 25th May 2018 and replaces the Data Protection Act 1998. If an organisation or any one of its third parties breaches the data of a European citizen, the organisation could face a fine of 4% of annual global revenue or €20 million, whichever is greater. Accordingly, organisations will need to ensure that they effectively manage training, technical controls, and ongoing monitoring of employees as well as third parties. According to the ICO, infringements of the organisation's obligations, including data security breaches will be subject to the lower fine level, whereas infringements of an individual's privacy rights will be subject to the higher fine level.

This audit review focused on the implementation of GDPR because this is where the higher risk resides for East Kent Housing. The audit methodology and approach has been to work through all of the documentation used by management to evidence the work carried out to date in preparation for GDPR.

The primary findings giving rise to the Reasonable Assurance opinion in this area are as follows:

- Management have established a realistic GDPR Implementation Plan which is currently being worked through;
- The Chief Executive has been appointed as the Data Protection Officer and is leading the organisation through the changes required to comply with the new regulations;
- East Kent Housing has carried out a review on personal data assets which has been mapped out in the form of an Information Asset Register;
- Most major roles and responsibilities have also been mapped out;
- Management have the capacity and capability to deal with Subject Access Requests within the new timescales in accordance with the new regulations; and
- East Kent Housing has been compliant with the Data Protection Act 1998 and no data breaches have been recorded since East Kent Housing formed in 2011.

Some project risks have however been identified. Due to the large financial penalties which could be imposed for non-compliance and the tight deadline (25th May 2018) many of the recommendations have been given a high priority in order to assist in the successful completion of the project. A small number of potential issues have been raised in the following areas:

- As a precaution, management should review the GDPR Implementation Plan with a view to addressing a number of potential key project risks namely: liaising with third party contractors; adequate engagement with IT & the roll-out and testing of data breach plans;
- Roles and legal responsibilities for identifying and reviewing existing data sharing agreements with contractors and third parties should be clarified; and
- EKH needs to ensure privacy notices are easily located online.

2.12 East Kent Housing: Leasehold Services – Reasonable Assurance

2.12.1 Audit Scope

To provide assurance that the service costs incurred by the partner council in respect of relevant properties within the housing portfolio, for which the Council owns the freehold, and which are occupied on lease, or have been sold are appropriately re-charged to the tenants/leaseholders/owners in accordance with statutory provisions and Council policy.

2.12.2 Summary of Findings

There are approximately 1,414 leaseholders within the four partner councils' housing stock. This equates to 9.8% of the total 'general needs' housing stock managed by East Kent Housing (EKH). EKH provide a management service to these leaseholders in accordance with the conditions of lease. Conditions of lease vary between councils, as does the level of service provided by EKH due to the varying degrees of ownership retained by each council.

The primary findings giving rise to the Reasonable Assurance opinion in this area are as follows:

- Service charges are calculated in accordance with the lease agreements;
- All 33 no. invoices tested had been sent out in accordance with the 18 month rule;
- The S20 consultation process had been followed for the testing sample (TDC) and was evident for major works outside of the testing sample;
- Charging proportions have been consistently applied for blocks tested, and;
- Debt recovery is good at CCC and TDC, and improving at DDC.

Scope for improvement was identified in the following areas:

- Consideration should be given to handing CCC billing responsibility to EKH as they hold the information and knowledge of the buildings;
- The leaseholder administration fee at CCC should be reviewed as it is out of date;
- The councils should monitor the progress of the development of the capital plan to ensure the full benefits are achieved.

2.13 East Kent Housing: Property Services Improvement Plan – Reasonable Assurance

2.13.1 Audit Scope

To provide assurance in respect of the implementation to date of the agreed actions within the 'Property Service Improvement Plan October 2016 to December 2017', by the target dates or progress towards thereto.

2.13.2 Summary of Findings

The Property Services Improvement Plan for the period October 2016 to December 2017 was developed to address recommendations flowing from a review of the HRA capital, cyclical and planned investment commissioning and delivery process, and activities managed by East Kent Housing on behalf of the Local Authorities, undertaken by HQN. This identified thirty three action points across six areas.

Work has been carried out or is ongoing on a number of the actions. Below is a summary table of the thirty three original actions and their status based on the information that has been reported to the Property Services Improvement Plan Task and Finish Group as at January 2018. It is expected that at the next meeting of the Task and Finish Group in May 2018 the number of completed actions will have increased.

Area of Improvement Plan	Original No of Action Points	Actions			
		Completed	In Progress	Delayed	Started
Stock Data	9	4	2	3	
Project Management and Delivery	7		3	3	1
Communication and Liaison	3		2	1	
Contract Management	3		1	2	
Procurement	5	1		3	1
Staffing and Resources	6	4		2	
Totals	33	9	8	14	2
%		27.27	24.24	42.42	6.07

Although fourteen of the actions have been delayed, from discussions with EKH Officers, and the evidence provided, Management can place Reasonable Assurance on the system of internal controls in operation and the future delivery of the action plan.

The primary findings giving rise to the Reasonable Assurance opinion in this area are as follows:

- A significant amount of work has been carried out to implement the Strategic Asset Management (SAM) system which will assist Property Services in

delivering a timetable for works and costing for them which can then be used for forecasting expenditure for each of the client authorities.

- A 2020 Procurement project is in place which is a programme that has buy in from all of the authorities that will look at how contracts are let (including response and proposed works) and will look to have possible services provided by several providers that are both large and local. Five work streams have been identified for various types of work. Information from the SAM system will also provide information to assist with this project.
- The Auditor has reviewed a sample of completed actions to ensure that the information reported to the Task and Finish group is correct and that there is evidence in place to support this. In all instances there is evidence to support them being completed.

Scope for improvement was identified in the following areas:

- Consideration should be given to showcasing the Strategic Asset Management (SAM) system to the Client Officers and the Task and Finish group to show them the information that it is able to produce. This includes forward plans to assist in procuring contracts including expected costs for budget purposes, decent homes works, and identify future spikes of expenditure.

2.14 East Kent Housing: Safeguarding Children & Vulnerable Groups – Reasonable/Limited Assurance

2.14.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the organisation fulfils its legal obligations under section 11 of the Children Act 2004 and under the Safeguarding Vulnerable Groups Act 2006.

2.14.2 Summary of Findings

East Kent Housing, on behalf of the four district councils, has a legal obligation to comply with all statutory requirements in connection with its services and this includes the Children Act 2004 and the Safeguarding Vulnerable Groups Act 2006. The following shows some of the duties which should be demonstrated under the legislative framework:

- Management commitment to the importance of safeguarding and promoting the welfare of children and young people.
- Clear statement of the organisation's responsibilities towards children and young people.
- Clear line of accountability within the organisation for reporting safeguarding concerns.
- Safe recruitment procedures.
- Training on safeguarding and promoting the welfare of children and young people for all staff commensurate with their level of contact with children, young people and vulnerable adults.
- Safeguarding policies and procedures for contracted services.
- Effective inter-agency working to safeguard and promote the welfare of children, young people and vulnerable adults.

- Effective information sharing.

The Safeguarding Vulnerable Groups Act 2006 places a statutory duty on all those working with vulnerable groups to undergo an advanced vetting process.

Whilst Management can generally have Reasonable assurance in this area, there is some evidence of non-compliance with significant key controls resulting in a risk to the achievement of the system objectives, which suggests at least a partially limited assurance conclusion.

Effective controls which support the Reasonable Assurance opinion were evidenced in the following areas:

- Safeguarding policies and procedures are in place and are currently being reviewed and updated;
- Safeguarding training is being undertaken on a regular basis, however as above, evidence of attendance and level of training is difficult to establish;
- Posts that require a DBS check have been identified and as a result of a staffing restructure, more staff are now in the process of being DBS checked.
- The revised structure provides a clear focus on supporting vulnerable households, with a dedicated Sustainment Team which brings together roles from across the organisation.

The primary finding giving rise to a partially Limited assurance opinion in this area however is as follows:

- EKH is going through a staffing restructure and is in a state of transition; at the time of the audit there was no central and consistent record of training and DBS checks for all of EKH making it difficult to reconcile the records that are held, against the latest establishment list and the DBS approved list. A combined central record of training undertaken, linked to DBS checks/holders, would provide a consistent format that could more easily be monitored and controlled to ensure that all staff had received the right level of training and DBS checks commensurate with their post.
- Centralising of records has been affected by the restructure, and priority was given to ensuring that staff with new responsibilities were DBS checked. EKH are therefore working towards a centralised record.

Scope for improvement was identified in the following areas:

- Enquiries found that partner councils wish to support EKH with safeguarding and that local steering groups are not always attended by the invited EKH representative.
- The safeguarding profile on the EKH website should be raised and also include a Senior Management/Board Member statement of commitment. Safeguarding policies are currently lost under the heading of 'Disabled Policy Adaptations'.

2.15 EK Services – Housing Benefit Quarterly Testing (Quarter 3 of 2017-18):

2.15.1 Background:

Over the course of 2017-18 financial years the East Kent Audit Partnership will be completing a sample check of Council Tax, Rent Allowance and Rent Rebate and Local Housing Allowance benefit claims.

2.15.2 Findings:

For the third quarter of the 2017-18 financial year (October to December 2017) 20 claims including new and change of circumstances of each benefit type were selected by randomly selecting the various claims for verification.

A fail is categorised as an error that impacts on the benefit calculation. However, data quality errors are also shown but if they do not impact on the benefit calculation then for reporting purposes the claim will be recorded as a pass.

2.15.3 Audit Conclusion:

For this quarter twenty benefit claims were checked and of these one had a financial error that impacted on the benefit calculation (5%) and there were no data quality errors.

2.16 EK Services – Housing Benefit Quarterly Testing (Quarter 4 of 2017-18):

2.16.1 Background:

Over the course of 2017-18 financial year the East Kent Audit Partnership will be completing a sample check of Council Tax, Rent Allowance and Rent Rebate and Local Housing Allowance benefit claims.

2.16.2 Findings:

For the fourth quarter of the 2017-18 financial year (January to March 2018) 20 claims including new and change of circumstances of each benefit type were selected by randomly selecting the various claims for verification.

A fail is categorised as an error that impacts on the benefit calculation. However, data quality errors are also shown but if they do not impact on the benefit calculation then for reporting purposes the claim will be recorded as a pass.

2.16.3 Audit Conclusion:

For this quarter twenty benefit claims were checked and of these one had a financial error that impacted on the benefit calculation (5%) and there were no data quality errors.

For 2017/18 in total, eighty benefit claims have been checked of which 5 (6.25%) had a financial error that impacted on the benefit calculation and 5 (6.25%) had a data quality error.

3.0 FOLLOW UP OF AUDIT REPORT ACTION PLANS:

- 3.1 As part of the period's work, two follow up reviews have been completed of those areas previously reported upon to ensure that the recommendations previously made have been implemented, and the internal control weaknesses leading to those

recommendations have been mitigated. Those completed during the period under review are shown in the following table.

Service/ Topic		Original Assurance level	Revised Assurance level	Original Number of Recs		No of Recs Outstanding	
a)	Planning Applications, income and s106 Agreements	Substantial/ Reasonable	Substantial/ Limited	C	0	C	0
				H	3	H	1
				M	4	M	0
				L	0	L	0
b)	Contaminated Land, Pollution, Air & Water Quality	Reasonable	Reasonable	C	0	C	0
				H	1	H	0
				M	1	M	1
				L	4	L	0

- 3.2 Details of each of the individual high priority recommendations outstanding after follow-up are included at Annex 1 and on the grounds that these recommendations have not been implemented by the dates originally agreed with management, they are now being escalated for the attention of the s.151 Officer and Members of the Governance Committee.

The purpose of escalating outstanding high-risk matters is to try to gain support for any additional resources (if required) to resolve the risk, or to ensure that risk acceptance or tolerance is approved at an appropriate level.

- 3.3 As highlighted in the above table, those areas previously reported as having either Limited or No assurance have been reviewed and, in respect of those remaining at below Reasonable assurance, Members are advised as follows:

a) Planning Applications, Income and s106 Agreements:

The main issue that needed to be addressed was the need to put in place a data retention schedule which clearly states how long the various types of documentation should be kept for. The Head of Regeneration and Development gave an assurance that this would be in place by 30th June 2017 during the audit so a recommendation was not made in the original audit report but was mentioned in the executive summary.

As at the time of this follow up audit review (February 2018). The Head of Regeneration and Development has commenced work on the data retention schedule but is still to complete it some eight months after the agreed completion date. The lack of a data retention schedule impacts on the future work that is to be carried out on the setting up of the system parameters for the IDOX system and the archiving routines which have a proposed going live date of September 2018. With the new GDPR regulations becoming effective from May 2018, this is now an outstanding critical action. The document retention schedule is required to be able to comply with important legislation also without this being completed the system development will be held up. Therefore this should be escalated for the attention of the s.151 officer and Members' of the Governance Committee.

Also clarification is still required from the Head of Regeneration and Development as to when a planning application can be closed so that up to date data can be transferred across to the new Uniform planning system.

4.0 WORK-IN-PROGRESS:

4.1 During the period under review, work has also been undertaken on the following topics, which will be reported to this Committee at future meetings: Employee Allowances & Expenses, Payroll, ICT PSN review, Council Tax Reduction Scheme, ICT Procurement & Disposals. Project Management, GDPR, Homelessness, East Kent Housing - Contract management, Building Control and White Cliffs Countryside Project.

5.0 CHANGES TO THE AGREED AUDIT PLAN:

5.1 The 2018-19 Audit plan was agreed by Members at the meeting of this Committee on 8th April 2018.

5.2 The Head of the Audit Partnership meets on a quarterly basis with the Section 151 Officer to discuss any amendments to the plan. Members of the Committee will be advised of any significant changes through these regular update reports. Minor amendments have been made to the plan during the course of the year as some high profile projects or high-risk areas have been requested to be prioritised at the expense of putting back or deferring to a future year some lower risk planned reviews. The detailed position regarding when resources have been applied and or changed are shown as Annex 3.

6.0 FRAUD AND CORRUPTION:

6.1 There were no other new or recently reported instances of suspected fraud or irregularity that required either additional audit resources or which warranted a revision of the audit plan at this point in time.

7.0 INTERNAL AUDIT PERFORMANCE

7.1 For the period to 31st May 2018, 47.32 chargeable days were delivered against the revised target of 242.89, which equates to 19.48% plan completion.

7.2 The financial performance of the EKAP is currently on target at the present time.

7.3 As part of its commitment to continuous improvement and following discussions with the s.151 Officer Client Group, the EKAP has improved on the range of performance indicators it records and measures.

7.4 The EKAP introduced an electronic client satisfaction questionnaire, which is used across the partnership. The satisfaction questionnaires are sent out at the conclusion of each audit to receive feedback on the quality of the service. Current feedback arising from the customer satisfaction surveys is featured in the Balanced Scorecard attached as Annex 4.

Attachments

Annex 1	Summary of High priority recommendations outstanding after follow-up.
Annex 2	Summary of services with Limited / No Assurances
Annex 3	Progress to 31 st May 2018 against the agreed 2018/19 Audit Plan.

Annex 4 Assurance statements

SUMMARY OF HIGH PRIORITY RECOMMENDATIONS OUTSTANDING OR IN PROGRESS AFTER FOLLOW-UP – ANNEX 1

Original Recommendation	Agreed Management Action, Responsibility and Target Date	Manager's Comment on Progress Towards Implementation.
<i>Planning Applications, Income & s106 Agreements – April 2018</i>		
<p>A house keeping exercise needs to be carried out to ensure that the data to be transferred to the new Uniform planning system has been reviewed and is up to date with old applications that should be closed have been so.</p>	<p>This will form part of the Uniform implementation plan. However there needs to be a decision taken by the Head of Regeneration and Development after consultation with Legal when an application can be closed.</p> <p>Proposed Completion Date 31/3/18</p> <p>Responsibility Uniform Project Team</p>	<p>No decision has been made yet by the Head of Regeneration and Development about this action and this is going to impact on the implementation plan and the delivery of the new system and working practices.</p> <p>Recommendation is outstanding.</p>

SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS STILL TO BE REVIEWED			
Service	Reported to Committee	Level of Assurance	Follow-up Action Due
Land Charges	December 2017	Reasonable/Limited	Summer 2018
Inward Investment	December 2017	Reasonable/Limited	Summer 2018

PROGRESS AGAINST THE AGREED 2018-19 AUDIT PLAN.

DOVER DISTRICT COUNCIL:

Review	Original Planned Days	Revised Planned Days	Actual days to 31-05-2018	Status and Assurance Level
FINANCIAL SYSTEMS:				
Capital	10	10	0	Quarter 3
Bank Reconciliation	5	5	0	Quarter 3
VAT	10	10	0	Quarter 3
RESIDUAL HOUSING SYSTEMS:				
Homelessness	10	10	16.93	Work-in-Progress
Housing Allocations	10	10	0	Budget used for the Homelessness review
GOVERNANCE RELATED:				
GDPR, FOI and Information Management	15	15	0	Quarter 2
Anti-Fraud & Corruption Assurance Mapping	10	10	0	Quarter 2
Complaints Monitoring	10	10	0	Quarter 4
Risk Management	10	10	0	Quarter 3
Corporate Advice/CMT	2	2	0.18	Work-in-progress throughout 2018-19
s.151 Meetings and support	9	9	2.2	Work-in-progress throughout 2018-19
Governance Committee Meetings and Reports	12	12	2.32	Work-in-progress throughout 2018-19
2019-20 Audit Plan Preparation and Meetings	9	9	0	Quarter 4
SERVICE LEVEL:				
Safeguarding Children & Vulnerable Adults	10	10	0	Quarter 3
Private Sector Housing & HMO Licensing	10	10	0	Quarter 2
Food Safety	10	10	0	Quarter 2
Pest Control	10	10	0	Quarter 2
Events Management	10	10	0	Quarter 4

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AUDIT PARTNERSHIP

Review	Original Planned Days	Revised Planned Days	Actual days to 31-05-2018	Status and Assurance Level
Local Plan, MTFP and Corporate Plan	10	10	0	Quarter 4
Building Control	12	12	0	Quarter 2
Uniform iDox – Post Implementation Review	13	13	0	Quarter 3
White Cliffs Countryside & Up on the Downs	12	12	0	Quarter 2
Waste Management & Street Cleansing	15	15	0	Quarter 4
OTHER				
Liaison with External Auditors	1	1	0	Work-in-progress throughout 2018-19
Follow-up Work	15	15	1.48	Work-in-progress throughout 2018-19
FINALISATION OF 2017-18- AUDITS				
Car Parking & PCNs	5	0	0.44	Finalised - Reasonable
Creditors & CIS			9.01	Work-in-Progress
Licensing			1.72	Finalised - Reasonable
Income			1.99	Work-in-Progress
Project Management			2.86	Work-in-Progress
Grounds Maintenance			8.19	Finalised - Reasonable
Days over delivered in 2017-18	0	-7.11		Completed
TOTAL	255	242.89	47.32	19.48% as at 31st May 2018

EAST KENT HOUSING LIMITED:

Review	Original Planned Days	Revised Planned Days	Actual days to 31-05-2018	Status and Assurance Level
Planned Work:				
CMT/Audit Sub Cttee/EA Liaison	4	4	1.07	Work-in-progress throughout 2018-19
Follow-up Reviews	4	4	0.27	Work-in-progress throughout 2018-19

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AUDIT PARTNERSHIP

Review	Original Planned Days	Revised Planned Days	Actual days to 31-05-2018	Status and Assurance Level
Repairs & Maintenance	30	30	0	Quarter 2
Void Property Management	20	20	0	Quarter 3
Tenant Health & Safety	20	20	0	Quarter 4
Contract Monitoring	17	17	11.73	Work-in-progress
Performance Management	15	15	0.34	Work-in-progress
Welfare Reform	10	10	0	Quarter 2
Resident Involvement	10	10	0	Quarter 3
Service Level Agreements	10	10	0	Quarter 4
Finalisation of 2017-18 Work-in-Progress:				
Days under delivered in 2017-18	0	10.94	0	Allocated
Complaints Monitoring	0	0	0.36	Finalised - Reasonable
GDPR & Information Mngmt.	0	0	3.59	Finalised - Reasonable
Leasehold Services	0	0	1.15	Finalised – Reasonable/Limited
Tenancy & RTB Fraud Prevention	0	0	1.32	Work-in-Progress
Property Services Action Plan	0	0	8.07	Finalised - Reasonable
Total	140	150.94	27.90	18.48% at 31-05-2018

EK SERVICES:

Review	Original Planned Days	Revised Planned Days	Actual days to 31-05-2018	Status and Assurance Level
EKS Reviews:				
Housing Benefits Assessment	15	15	0	Quarter 3
Housing Benefit Testing	15	15	0	Quarter 3
Housing Benefits – DHPs	15	15	0	Quarter 2
Debtor Accounts	20	20	0	Quarter 3
ICT – Network Security	15	10	0	Quarter 2
ICT – PSN Review	0	5	3.54	Work-in-Progress
ICT – PCI-DSS Compliance	15	15	0	Quarter 4

EAST KENT
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AUDIT PARTNERSHIP

Review	Original Planned Days	Revised Planned Days	Actual days to 31-05-2018	Status and Assurance Level
KPIs	5	5	0	Quarter 4
EKHR Reviews:				
Payroll	15	15	0	Quarter 4
Apprenticeships	15	15	0	Quarter 2
Absence Management	15	15	0	Quarter 3
Other:				
Corporate/Committee	8	8	1.55	Work-in-progress throughout 2018-19
Follow up	7	7	0.27	Work-in-progress throughout 2018-19
Days under delivered in 2017-18	0	47.79	0	Completed as below
Finalisation of 2017/18 Audits:				
Housing Benefit Testing			6.82	Finalised
Payroll			4.86	Draft Report
Employee Allowances & Expenses			0.68	Draft Report
ICT – Procurement & Disposal			9.19	Work-in-Progress
Council Tax Reduction Scheme			1.64	Work-in-Progress
Total	160	207.79	28.55	13.74% at 31-05-2018

Definition of Audit Assurance Statements & Recommendation Priorities

Assurance Statements:

Substantial Assurance - From the testing completed during this review a sound system of control is currently being managed and achieved. All of the necessary, key controls of the system are in place. Any errors found were minor and not indicative of system faults. These may however result in a negligible level of risk to the achievement of the system objectives.

Reasonable Assurance - From the testing completed during this review most of the necessary controls of the system in place are managed and achieved. There is evidence of non-compliance with some of the key controls resulting in a marginal level of risk to the achievement of the system objectives. Scope for improvement has been identified, strengthening existing controls or recommending new controls.

Limited Assurance - From the testing completed during this review some of the necessary controls of the system are in place, managed and achieved. There is evidence of significant errors or non-compliance with many key controls not operating as intended resulting in a risk to the achievement of the system objectives. Scope for improvement has been identified, improving existing controls or recommending new controls.

No Assurance - From the testing completed during this review a substantial number of the necessary key controls of the system have been identified as absent or weak. There is evidence of substantial errors or non-compliance with many key controls leaving the system open to fundamental error or abuse. The requirement for urgent improvement has been identified, to improve existing controls or new controls should be introduced to reduce the critical risk.

Priority of Recommendations Definitions:

Critical – A finding which significantly impacts upon a corporate risk or seriously impairs the organisation's ability to achieve a corporate priority. Critical recommendations also relate to non-compliance with significant pieces of legislation which the organisation is required to adhere to and which could result in a financial penalty or prosecution. Such recommendations are likely to require immediate remedial action and are actions the Council must take without delay.

High – A finding which significantly impacts upon the operational service objective of the area under review. This would also normally be the priority assigned to recommendations relating to the (actual or potential) breach of a less prominent legal responsibility or significant internal policies; unless the consequences of non-compliance are severe. High priority recommendations are likely to require remedial action at the next available opportunity or as soon as is practical and are recommendations that the Council must take.

Medium – A finding where the Council is in (actual or potential) breach of - or where there is a weakness within - its own policies, procedures or internal control measures, but which does not directly impact upon a strategic risk, key priority, or the operational service objective of the area under review. Medium priority recommendations are likely to require remedial action within three to six months and are actions which the Council should take.

Low – A finding where there is little if any risk to the Council or the recommendation is of a business efficiency nature and is therefore advisory in nature. Low priority recommendations are suggested for implementation within six to nine months and generally describe actions the Council could take.

Subject:	ANNUAL INTERNAL AUDIT REPORT
Meeting and Date:	Governance Committee – 28th June 2018
Report of:	Christine Parker – Head of Audit Partnership
Decision Type:	Non-key
Classification:	Unrestricted

Purpose of the report: This report provides a summary of the work completed by the East Kent Audit Partnership together with details of the performance of the EKAP against its targets for the year ending 31st March 2018.

Recommendation: That Members note the report.

Internal Audit Annual Report 2017-18.

SUMMARY

The main points to note from the attached report are that the agreed programme of audits has been completed. The majority of reviews have given a substantial or reasonable assurance and there are no major areas of concern that would give rise to a qualified opinion.

1.0 INTRODUCTION

1.1 The primary objective of Internal Audit is to provide independent assurance to Members, the Chief Executive, Directors and the Section 151 Officer on the adequacy and effectiveness of those systems on which the Authority relies for its internal control. The purpose of bringing forward an annual report to members is to:

- Provide an opinion on the overall adequacy and effectiveness of the Council's internal control environment.
- Present a summary of the internal audit work undertaken to formulate the opinion, including reliance placed on work by other assurance bodies,
- Draw attention to any issues the Head of the Audit Partnership judges particularly relevant to the preparation of the Annual Governance Statement.
- Compare actual audit activity with that planned, and summarise the performance of Internal Audit against its performance criteria.
- Comment on compliance with the Public Sector Internal Audit Standards (PSIAS), and report the results of the Internal Audit quality assurance programme.
- Confirm annually that EKAP is organisationally independent, whether there have been any resource limitations or instances of restricted access.

1.2 The report attached as Annex A therefore summarises the performance of the East Kent Audit Partnership (EKAP) and the work it has performed over the financial year 2017-18 for Dover District Council, and provides an overall assurance on the system for internal control based on the audit work undertaken throughout the year, in accordance with best practice. In providing this opinion, this report supports the Annual Governance Statement.

- 1.3 The internal audit team is proactive in providing guidance on procedures where particular issues are identified during audit reviews. The aim is to minimise the risk of loss to the Authority by securing adequate internal controls. Partnership working for the service has added the opportunity for the EKAP to share best practice across the four sites within the East Kent Cluster to help drive forward continuous service improvement.
- 1.4 During 2017-18 the EKAP delivered 104.64% of the agreed audit plan days, with 12.11 days over delivered to be adjusted for in 2018-19. The performance figures for the East Kent Audit Partnership as a whole for the year show good performance against targets, particularly as the EKAP has experienced high levels of sickness and delivered financial savings against its agreed budget to all its partners in the delivery of the service.

Background Papers

- **Internal Audit Annual Plan 2017-18 - Previously presented to and approved at the March 2017 Governance Committee meeting.**
- **Internal Audit working papers - Held by the East Kent Audit Partnership.**

Resource Implications

There are no financial implications arising directly from this report. The costs of the audit work have been met from the Financial Services 2017-18 budget.

Consultation Statement

Not Applicable.

Impact on Corporate Objectives and Corporate Risks

The recommendations arising from each individual internal audit review are designed to strengthen the Council's corporate governance arrangements, control framework, counter fraud arrangements and risk management arrangements, as well as contributing to the provision of economic, efficient and effective services to the residents of the District. This report summarises of the work of the East Kent Audit Partnership for the year 2017-18 in accordance with the Public Sector Internal Audit Standards.

Attachments

Annex A – East Kent Audit Partnership Annual Report 2017-18

CHRISTINE PARKER
Head of Audit Partnership

Annual Internal Audit Report for Dover District Council 2017-18

1. Introduction

The Public Sector Internal Audit Standard (PSIAS) defines internal audit as:

“Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

A more detailed explanation, of the role and responsibilities of internal audit, is set out in the approved Audit Charter. The East Kent Audit Partnership (EKAP) aims to comply with the PSIAS, and to this end has produced evidence to the s.151 and Monitoring Officers to assist the Council’s review of the system of internal control in operation throughout the year.

This report is a summary of the year, a snapshot of the areas at the time they were reviewed and the results of follow up reviews to reflect the actions taken by management to address the control issues identified. The process that the EKAP adopts regarding following up the agreed recommendations will bring any outstanding high-risk areas to the attention of members via the quarterly reports, and through this annual report if there are any issues outstanding at the year-end.

2. Objectives

The majority of reviews undertaken by Internal Audit are designed to provide assurance on the operation of the Council’s internal control environment. At the end of an audit we provide recommendations and agree actions with management that will, if implemented, further enhance the environment of the controls in practice. Other work undertaken, includes the provision of specific advice and support to management to enhance the economy, efficiency and effectiveness of the services for which they are responsible. The annual audit plan is informed by special investigations and anti-fraud work carried out as well as the risk management framework of the Council.

A key aim of the EKAP is to deliver a professional, cost effective, efficient, internal audit function to the partner organisations. The EKAP aims to have an enabling role in raising the standards of services across the partners though its unique position in assessing the relative standards of services across the partners. The EKAP is also a key element of each councils’ anti fraud and corruption system by acting as a deterrent to would be internal perpetrators.

The four partners are all committed to the principles and benefits of a shared internal audit service, and have agreed a formal legal document setting out detailed arrangements. The statutory officers from each partner site (the s.151 Officer) together form the Client Officer Group and govern the partnership through annual meetings. The shared arrangement for EKAP also secures organisational independence, which in turn assists EKAP in making conclusions about any resource limitations or ensuring there are no instances of restricted access.

3. Internal Audit Performance Against Targets

3.1 EKAP Resources

The EKAP has provided the service to the partners based on a FTE of 6.88. Additional audit days have been provided via audit contractors in order to meet the planned workloads. There was higher than usual sickness within the team during the year and early warnings of achieving approximately 85% of the plan were given during the quarterly meetings.

3.2 Performance against Targets

The EKAP is committed to continuous improvement and has various measures to ensure the service can strive to improve. The performance measures and indicators for the year are shown in the balanced scorecard of performance measures at Appendix 5. The measures themselves were reviewed by the Client Officer Group at their annual meeting and no changes were made.

3.3 Internal Quality Assurance and Performance Management.

All internal audit reports are subject to review, either by the relevant EKAP Deputy Head of Audit or the Head of the Audit Partnership; all of whom are Chartered Internal Auditors. In each case this includes a detailed examination of the working papers, action and review points, at each stage of report. The review process is recorded and evidenced within the working paper index and in a table at the end of each audit report. Detailed work instructions are documented within the Audit Manual. The Head of Audit Partnership collates performance data monthly and, together with the monitoring of the delivery of the agreed audit plan carried out by the relevant Deputy Head of Audit, regular meetings are held with the s.151 Officer. The minutes to these meetings provide additional evidence to the strategic management of the EKAP performance.

3.4 External Quality Assurance

The external auditors, Grant Thornton, conducted a review in February 2018 of the Internal Audit arrangements. They have concluded that, where possible, they can place reliance on the work of the EKAP.

3.5 Liaison between Internal Audit and External Audit

Liaison with the audit managers from Grant Thornton for the partner authorities and the EKAP is undertaken largely via email to ensure adequate audit coverage, to agree any complementary work and to avoid any duplication of effort. The EKAP has not met with any other review body during the year in its role as the Internal Auditor to Dover District Council. Consequently, the assurance, which follows is based on EKAP reviews of Dover District Council's services.

3.6 Compliance with Professional Standards

The EKAP self-assessment of the level of compliance against the Public Sector Internal Audit Standards shows that some actions are required to achieve full compliance which EKAP will continue to work towards. There is however, no appetite with the Client Officer Group to pay for an External Quality Assessment of the EKAP's level of compliance, relying on a review by the s.151 officers of the self-assessment. Consequently the EKAP can only say that it partially conforms with PSIAS, and this risk is noted in the AGS.

3.7 Financial Performance

Expenditure and recharges for year the 2017-18 are all in line with the Internal Audit cost centre hosted by Dover District Council. Financial management has delivered a cashable saving of 10% against the 2016-17 budget.

Year	Cost / Audit Day
2006-07	£288
2007-08	£277
2008-09	£262 (Reserve Refunded to Partners)
2009-10	£281
2010-11	£268
2011-12	£257
2012.13	£279
2013-14	£290
2014-15	£287
2015-16	£293
2016-17	£294
2017-18	£300

The EKAP was formed to provide a resilient, professional service and therefore achieving financial savings was not the main driver, despite this considerable efficiencies have been gained through forming the partnership. The net result is a reduced EKAP cost per audit day below the original budget estimate.

4. Overview of Work Done

The original audit plan for 2017-18 included a total of 19 projects. We have communicated closely with the s.151 Officer, CMT and this Committee to ensure the projects actually undertaken continued to represent the best use of resources. As a result of this liaison some changes to the plan were agreed during the year. A few projects (3) have therefore been pushed back in the overall strategic plan, to permit some higher risk projects to come forward (3). The total number of projects undertaken in 2017-18 was 15, with 4 being WIP at the year end to be finalised in April. In addition 6 projects were finalised from the 2016-17 plan.

Review of the Internal Control Environment

4.1 Risks

During 2017-18, 70 recommendations were made in the agreed final audit reports to Dover District Council. These are analysed as being High, Medium or Low risk in the following table:

Risk Criticality	No. of Recommendations	Percentage
Critical	0	0%
High	24	26%
Medium	39	42%
Low	29	32%
TOTAL	92	100%

Naturally, more emphasis is placed on recommendations for improvement regarding high risks. Any high priority recommendations where management has not made progress in implementing the agreed system improvement are brought to management and members' attention through Internal Audit's quarterly update reports. During 2017-18 the EKAP has raised and reported to the quarterly Governance Committee meetings 92 recommendations, and whilst 68% were in the High or Medium Risk categories, none are so significant that they need to be escalated at this time.

4.2 Assurances

Internal Audit applies one of four ‘assurance opinions’ to each review, please see Appendix 1 for the definitions. This provides a level of reliance that management can place on the system of internal control to deliver the goals and objectives covered in that particular review. The conclusions drawn are described as being “a snapshot in time” and the purpose of allocating an assurance level is so that risk is managed effectively and control improvements can be planned. Consequently, where the assurance level is either ‘no’ or ‘limited’, or where high priority recommendations have been identified, a follow up progress review is undertaken and, where appropriate, the assurance level is revised.

The summary of Assurance Levels issued on the twelve pieces of completed work for Dover District Council, together with the finalisation of the six 2016-17 audits is as follows:

NB: the percentages shown are calculated on finalised reports with an assurance level

Assurance	No.	Percentage of Completed Reviews
Substantial	5	26%
Reasonable	12	63%
Limited	2	11%
No	0	0%
Work in Progress at Year-End	4	-
Not Applicable	1	-

* See list in the table below

NB: ‘Not Applicable’ is shown against special investigations or work commissioned by management that did not result in an assurance level.

Taken together 89% of the reviews account for substantial or reasonable assurance, whilst 11% of reviews placed a (partial) limited assurance to management on the system of internal control in operation at the time of the review. There were no reviews assessed as having no assurance.

There were seven reviews completed on behalf of East Kent Housing Ltd. and the assurances for these audits were - 0 Substantial, 5 Reasonable, 2 Limited, 0 Not Applicable and 3 work in progress at the year-end.. Information is provided in Appendix 3.

There were eight reviews completed on behalf of EK Services and the assurances for these audits were - 6 Substantial, 1 Reasonable, 1 Not Applicable and 3 work in progress at the year-end. Information is provided in Appendix 4.

For each recommendation, an implementation date is agreed with the Manager responsible for implementing it. Understandably, the follow up review is then timed to allow the service manager sufficient time to make progress in implementing the agreed actions against the agreed timescales. Those areas assessed as being as either ‘limited’ or ‘no’ assurance audit opinion during the year are detailed in the table at paragraph 6, these areas are also recorded as an appendix to the quarterly report until the follow up report is issued, so that they do not get overlooked. The results of any follow up reviews yet to be undertaken will therefore be reported to the Committee at the appropriate time.

4.3 Progress Reports

In agreeing the final Internal Audit Report, management accepts responsibility to take action to resolve all the risks highlighted in that final report. The EKAP carries out a follow up/progress review at an appropriate time after finalising an agreed report to test whether agreed action has in fact taken place and whether it has been effective in reducing risk.

As part of the follow up action, the recommendations under review are either:

- “closed” as they have been successfully implemented, or
- “closed” as the recommendation is yet to be implemented but is on target, or
- (for medium or low risks only) “closed” as management has decided to tolerate the risk, or the circumstances have since changed, or
- (for critical or high risks only) escalated to the audit committee.

At the conclusion of the follow up review the overall assurance level is re-assessed.

The results for the follow up activity for 2017-18 are set out below. The shift to the right in the third column in the table from the original opinion to the revised opinion also measures the positive impact that the EKAP has made on the system of internal control in operation throughout 2017-18.

Total Follow Ups undertaken 10	No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
Original Opinion	0	2	6	2
Revised Opinion	0	1	5	4

The reviews with an original limited assurance, together with the result of the follow up report, are shown in the following table which concludes there is one DDC review showing a partial limited assurance after follow up, this was escalated to the Governance Committee on 8 March 2018 (Performance Management).

Area Under Review	Original Assurance	Follow Up Result
Playgrounds	Limited	Reasonable
Performance Management	Reasonable /Limited	Reasonable/ Limited

East Kent Housing received two follow up reviews for which the revised assurance levels were one Substantial, one Reasonable.

EK Services received six follow ups; the revised assurances were Substantial for three reviews, Reasonable for two reviews and one with a partial Limited assurance, as follows.

Area Under Review	Original Assurance	Follow Up Result
PCI DSS	Limited	Reasonable/ Limited

Consequently, there are no fundamental issues of note arising from the audits and follow up undertaken in 2017-18.

4.4 Special Investigations and Fraud Related Work

The prevention and detection of fraud and corruption is ultimately the responsibility of management however, the EKAP is aware of its own responsibility in this area and is alert to the risk of fraud and corruption. Consequently the EKAP structures its work in such a way as to maximise the probability of detecting any instances of fraud. The EKAP will immediately report to the relevant officer any detected fraud or corruption identified during the course of its work; or any areas where such risks exist.

The EKAP is, from time to time, required to carry out special investigations, including suspected fraud and irregularity investigations and other special projects. Whilst some responsive work was carried out during the year at the request of management, there were no fraud investigations conducted by the EKAP on behalf of Dover District Council in 2017-18, however the EKAP was engaged to investigate matters surrounding the letting of a lease to Sandwich Historical Boatyard Ltd.

4.5 Completion of Strategic Audit Plan

Appendix 2 shows the planned time for reviews undertaken, against actual time taken, follow up reviews and unplanned reviews resulting from any special investigations or management requests. 278.15 audit days were completed for Dover District Council during 2016-2017 which represents 97.8% plan completion. The 12.11 days ahead at the year end, will be adjusted in 2017-18. The EKAP was formed in October 2007; it completes a rolling programme of work to cover a defined number of days each year. As at the 31st March each year there is undoubtedly some “work in progress” at each of the partner sites; some naturally being slightly ahead and some being slightly behind in any given year. However, the progress in ensuring adequate coverage against the agreed audit plan of work since 2007-08 concludes that EKAP is 12.11 days ahead of schedule as we commence 2017-18, as shown in the table below.

Year	Plan Days	Plus B/Fwd	Adjusted Requirement from EKAP	Days Delivered	Percentage Completed	Days Carried Forward (Days Planned – Days Delivered)
2008-09	450	0	450.00	459.33	102.07%	+9.33
2009-10	450	-9.33	440.67	431.22	97.80%	-18.78
2010-11	420	+9.45	429.45	445.21	103.60%	+25.21
2011-12	312	-15.76	296.24	291.25	98.32%	-20.75
2012-13	300	+4.99	304.99	313.85	102.91%	+13.85
2013-14	270	-8.86	261.14	270.18	103.46%	+0.18
2014-15	270	-9.04	260.96	259.66	99.49%	-10.34
2015-16	270	1.3	271.3	257.22	94.8%	-12.78
2016-17	270	-14.1	264.05	278.15	97.91%	+8.15
2017-18	255	-5.95	260.95	273.06	104.64%	+18.06
Total	3,267			3,279.11	100.37%	+12.11

Appendix 3 shows the planned time for reviews undertaken, against actual time taken, follow up reviews and unplanned reviews resulting from any special investigations for East Kent Housing Ltd. Dover District Council contributed 25 days from its original plan in 2011-12 and 20 days in subsequent years as its share in this four way arrangement. From 2017-18 an additional 15 days has been contributed to the EKH Plan from each

partner taking their total plan to 140 days. The EKH Annual Report in its full format will be presented to the EKH - Finance and Audit Sub Committee on 2nd July 2018.

Appendix 4 shows the planned time for reviews undertaken, against actual time taken, follow up reviews and unplanned reviews resulting from any special investigations for East Kent Services. Dover District Council contributed 60 days from its original plan as its share in this three-way arrangement. As EKS is hosted by TDC, the EKS Annual Report in its full format will be presented to the TDC - Governance & Audit Committee on 25th July 2018.

5. Overall assessment of the System of Internal Controls 2017-18

Based on the work of the EKAP on behalf of Dover District Council during 2017-18, the overall opinion is:

There are no major areas of concern, which would give rise to a qualified audit statement regarding the systems of internal control concerning either the main financial systems or overall systems of corporate governance. The Council can have a good level of assurance in respect of its main financial systems and a good level of assurance in respect of the majority of its Governance arrangements. The main financial systems that have been covered, which feed into the production of the Council's Financial Statements, have achieved good levels of assurance following audit reviews. The Council can therefore be assured in these areas. This position is the result of improvements to the systems and procedures over recent years and the willingness of management to address areas of concern that have been raised.

There were two areas where a partially limited assurance level was given which reflected a lack of confidence in arrangements. These reviews are shown in the table in Paragraph 6 which details the follow up activity.

6. Significant issues arising in 2017-18

From the work undertaken during 2017-18, there were no instances of unsatisfactory responses to key control issues raised in internal audit reports by the end of the year. There are occasions when audit recommendations are not accepted for operational reasons such as a manager's opinion that costs outweigh the risk, but none of these are significant and require reporting or escalation at this time. It is particularly note worthy to report that after follow up there were no high-risk recommendations outstanding at the year-end.

The EKAP has been commissioned to perform only one follow up, there were no reviews that remained a Limited Assurance after follow up, however four recommendations that were originally assessed as high risk, which remained a high priority and outstanding after follow up were escalated to the Governance Committee during the year.

Reviews previously assessed as providing a (partial) Limited Assurance that are yet to be followed up are shown in the table below. The progress reports for these will be reported to the Committee at the meeting following completion of the follow up.

Area Under Review	Original Assurance (Date to Committee)	Progress Report
Land Charges	Reasonable/Limited December 2017	Quarter Two 2018-19
Inward Investment	Reasonable/ Limited December 2017	Quarter Two 2018-19

And for EK Services there was one review previously assessed as providing a Limited Assurance that continues to provide a partial limited assurance that was followed up in 2017-18. This was escalated to the Thanet District Council Governance and Audit Committee at their meeting held 27 September and one DDC related recommendation that was originally assessed as high risk, which remained a high priority and outstanding after follow up was escalated to the Governance and Audit Committee during the year (PCI DSS).

And for East Kent Housing there were no reviews remaining at Limited assurance after follow up, and two recommendations that were originally assessed as high risk, which remained a high priority and outstanding after follow up were escalated to the Governance and Audit Committee during the year there. There is one partially limited assurance awaiting a follow up (Safeguarding & Vulnerable Groups).

7. Overall Conclusion

The Internal Audit function provided by the EKAP has performed well against its targets for the year. Clearly there have been some adjustments to the original audit plan for the year 2017-18, however, this is as expected and there are no matters of concern to be raised at this time.

It is a requirement of s.151 of the Local Government Act 1974 for the Council to maintain an 'effective' internal audit function, when forming my opinion on the Council's overall system of control, I need to have regard to the amount of work which we have undertaken upon which I am basing my opinion.

From the work undertaken the EKAP assesses the overall system of internal control in operation throughout 2017-18 as providing reasonable assurance. No system of control can provide absolute assurance, nor can Internal Audit give that assurance. This statement is intended to provide reasonable assurance that there is an ongoing process for identifying, evaluating and managing the key risks.

Definition of Audit Assurance Statements & Recommendation Priorities

Assurance Statements:

Substantial Assurance - From the testing completed during this review a sound system of control is currently being managed and achieved. All of the necessary, key controls of the system are in place. Any errors found were minor and not indicative of system faults. These may however result in a negligible level of risk to the achievement of the system objectives.

Reasonable Assurance - From the testing completed during this review most of the necessary controls of the system in place are managed and achieved. There is evidence of non-compliance with some of the key controls resulting in a marginal level of risk to the achievement of the system objectives. Scope for improvement has been identified, strengthening existing controls or recommending new controls.

Limited Assurance - From the testing completed during this review some of the necessary controls of the system are in place, managed and achieved. There is evidence of significant errors or non-compliance with many key controls not operating as intended resulting in a risk to the achievement of the system objectives. Scope for improvement has been identified, improving existing controls or recommending new controls.

No Assurance - From the testing completed during this review a substantial number of the necessary key controls of the system have been identified as absent or weak. There is evidence of substantial errors or non-compliance with many key controls leaving the system open to fundamental error or abuse. The requirement for urgent improvement has been identified, to improve existing controls or new controls should be introduced to reduce the critical risk.

Priority of Recommendations Definitions:

Critical – A finding which significantly impacts upon a corporate risk or seriously impairs the organisation’s ability to achieve a corporate priority. Critical recommendations also relate to non-compliance with significant pieces of legislation which the organisation is required to adhere to and which could result in a financial penalty or prosecution. Such recommendations are likely to require immediate remedial action and are actions the Council must take without delay.

High – A finding which significantly impacts upon the operational service objective of the area under review. This would also normally be the priority assigned to recommendations relating to the (actual or potential) breach of a less prominent legal responsibility or significant internal policies; unless the consequences of non-compliance are severe. High priority recommendations are likely to require remedial action at the next available opportunity or as soon as is practical and are recommendations that the Council must take.

Medium – A finding where the Council is in (actual or potential) breach of - or where there is a weakness within - its own policies, procedures or internal control measures, but which does not directly impact upon a strategic risk, key priority, or the operational service objective of the area under review. Medium priority recommendations are likely to require remedial action within three to six months and are actions which the Council should take.

Low – A finding where there is little if any risk to the Council or the recommendation is of a business efficiency nature and is therefore advisory in nature. Low priority recommendations are suggested for implementation within six to nine months and generally describe actions the Council could take.

**Performance against the greed 2017-18
Dover District Council Audit Plan**

Review	Original Planned Days	Revised Planned Days	Actual days to 31-03-2018	Status and Assurance Level
FINANCIAL SYSTEMS				
Car Parking & Enforcement	12	12	12.36	Finalised - Reasonable
Creditors & CIS	12	10	0.26	Work-in-Progress
External Funding Protocol	10	10	10.32	Finalised - Reasonable
Income	10	10	0.41	Work-in-Progress
GOVERNANCE RELATED				
Officers' Code of Conduct	10	11.5	11.62	Finalised - Reasonable
Local Code of Corporate Governance	8	9	9.65	Finalised - Reasonable
Scheme of Officer Delegations	7	7	6.17	Finalised - Substantial
Project Management	10	10	7.76	Work-in-Progress
Corporate Advice/CMT	2	2	6.01	Finalised for 2017-18
s.151 Meetings and support	9	9	11.37	Finalised for 2017-18
Governance Committee Meetings and Reports	12	12	12.73	Finalised for 2017-18
2018-19 Audit Plan Preparation and Meetings	9	9	10.18	Finalised
CONTRACT RELATED				
CSO Compliance	12	12	14.93	Finalised - Reasonable
Service Contract Monitoring	10	10	10.31	Finalised - Reasonable
SERVICE LEVEL				
Safeguarding Return to KCC	1	0	0	Not Required
Coastal Management	10	10	0	Postponed
CCTV	10	8.5	8.6	Finalised - Substantial
Port Health	10	12	11.59	Finalised - Substantial
Pollution, Contaminated Land, Air & Water Quality	10	10	10.72	Finalised - Reasonable
Health & Wellbeing	10	0	0	Postponed
Grounds Maintenance	15	15	6.30	Work-in-Progress
Licensing	12	12	11.22	Finalised - Reasonable
Asset Management	15	0	0	Postponed

Review	Original Planned Days	Revised Planned Days	Actual days to 31-03-2018	Status and Assurance Level
Phones, Mobiles & Utilities	8	8	11.72	Finalised – Substantial/Reasonable
OTHER				
Liaison with External Auditors	1	1	0.20	Finalised for 2017-18
Follow-up Work	15	12	13.62	Finalised for 2017-18
FINALISATION OF 2016-17- AUDITS				
Homelessness	5	5	6.06	Finalised - Substantial
Planning Applications, Income & s106 Agreements			3.51	Finalised – Substantial/Reasonable
Land Charges			8.48	Finalised – Reasonable/Limited
Anti-Fraud & Corruption			4.83	Finalised - Reasonable
Inward Investment			18.99	Finalised – Reasonable/Limited
Right to Buy			3.66	Finalised - Reasonable
Days under delivered in 2016-17	0	5.95		Completed
RESPONSIVE ASSURANCE				
Sandwich Historical Boat Yard	0	18	17.63	Finalised – N/A
Environmental Crime Enforcement	0	10	7.12	Finalised - Substantial
Homelessness	0	0	4.70	Work-in-Progress
TOTAL	255	260.95	273.06	104.64%

**Performance against the Agreed 2017-18
East Kent Housing Audit Plan**

Review	Original Planned Days	Revised Planned Days	Actual days to 31-03-2018	Status and Assurance Level
PLANNED REVIEWS				
CMT/Audit Sub Ctte/EA Liaison	4	4	6.08	Finalised for 2017-18
Follow-up Reviews	4	4	4.82	Finalised for 2017-18
Finance Systems & ICT Controls	15	15	2.00	Postponed
Data Protection & Information Management	12	12	12.64	Finalised - Reasonable
Leasehold Services	15	15	26.24	Finalised - Reasonable
Fire Safety Records Management	15	18	17.23	Finalised - Limited
Safeguarding Children & Vulnerable Groups	10	15	15.09	Finalised – Reasonable/Limited
Tenancy & Right to Buy Fraud Prevention	10	10	0.22	Work-in-Progress
Risk Management	10	10	11.54	Finalised - Reasonable
Performance Management	5	0	0	Postponed
Complaints Monitoring	10	10	13.98	Finalised - Reasonable
Single System – Implementation Review	10	13	12.18	Finalised
Property Services Improvement Plan	20	0	5.94	Work-in-Progress
FINALISATION OF 2016/17 AUDITS				
Days under delivered in 2016-17	0	7.84	0	Completed
Performance Indicator Data Quality	0	0	8.62	Finalised - Reasonable
RESPONSIVE ASSURANCE				
Contract Management	0	14	0.31	Work-in-Progress
Total	140	147.84	136.90	92.60%

**Performance against the Agreed 2017-18
East Kent Services Audit Plan**

Review	Original Planned Days	Revised Planned Days	Actual days to 31-03-2018	Status and Assurance Level
EKS REVIEWS				
Housing Benefits Payments	15	16	15.51	Finalised - Substantial
DDC / TDC HB Testing	20	20	23.17	Finalised – N/A
Business Rates	20	18	17.51	Finalised - Substantial
Council Tax Reduction Scheme	15	15	0	Postponed
ICT – Data Management	15	17	16.79	Finalised - Substantial
ICT – Procurement & Disposal	15	15	0.17	Work-in-progress
EKHR REVIEWS				
Payroll	15	15	9.73	Work-in-progress
Employee Allowances & Expenses	15	15	13.99	Work-in-progress
Employee Health & Safety	15	0	0	Responsibility transferred
OTHER				
Corporate/Committee	8	10	5.98	Ongoing
Follow up	7	12	6.02	Ongoing
Days under delivered in 2016-17	0	17.70	0	Completed
FINALISATION OF 2016/17 AUDITS				
Housing Benefit Subsidy	24.70		7.92	Finalised - Substantial
ICT Change controls			2.34	Finalised - Substantial
ICT Software Licensing			3.45	Finalised - Reasonable
EKHR – Payroll & BIK			7.33	Finalised - Substantial
Total	160.00	177.70	129.91	73.11%

EKAP Balanced Scorecard – 2017-18

<u>INTERNAL PROCESSES PERSPECTIVE:</u>	<u>2017-18 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2017-18 Actual</u>	<u>Original Budget</u>
	Quarter 4		Reported Annually		
Chargeable as % of available days	84%	80%	<ul style="list-style-type: none"> • Cost per Audit Day 	£300.38	£309.77
Chargeable days as % of planned days			<ul style="list-style-type: none"> • Direct Costs 	£387,843	£385,970
CCC	89.19%	100%	<ul style="list-style-type: none"> • + Indirect Costs (Recharges from Host) 	£10,530	£10,530
DDC	104.64%	100%	<ul style="list-style-type: none"> • - 'Unplanned Income' 	£1,873	Zero
SDC	80.49%	100%	<ul style="list-style-type: none"> • = Net EKAP cost (all Partners) 	£396,500	£396,500
TDC	85.54%	100%	<ul style="list-style-type: none"> • Savings Achieved (10% of 2016-17 Budget) 	£34,620	10%
EKS	73.11%	100%			
EKH	92.60%	100%			
Overall	87.57%	100%			
Follow up/ Progress Reviews;					
<ul style="list-style-type: none"> • Issued 	53	-			
<ul style="list-style-type: none"> • Not yet due 	19	-			
<ul style="list-style-type: none"> • Now due for Follow Up 	31	-			
Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details)	Partial	Full			

<u>CUSTOMER PERSPECTIVE:</u>	<u>2017-18 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	<u>2017-18 Actual</u>	<u>Target</u>
	Quarter 4		Quarter 4		
Number of Satisfaction Questionnaires Issued;	70		Percentage of staff qualified to relevant technician level	75%	75%
Number of completed questionnaires received back;	35		Percentage of staff holding a relevant higher level qualification	38%	38%
	= 50%		Percentage of staff studying for a relevant professional qualification	14%	N/A
Percentage of Customers who felt that;			Number of days technical training per FTE	4.79	3.5
• Interviews were conducted in a professional manner	95%	100%	Percentage of staff meeting formal CPD requirements (post qualification)	38%	38%
• The audit report was 'Good' or better	91%	90%			
• That the audit was worthwhile.	100%	100%			

Subject:	2017/18 ANNUAL GOVERNANCE ASSURANCE STATEMENT
Meeting and Date:	Cabinet – 4 June 2018 Governance Committee – 28 June 2018
Report of:	David Randall, Director of Governance
Portfolio Holder:	Councillor Michael Conolly, Portfolio Holder for Corporate Resources and Performance
Decision Type:	Non-Key
Classification:	Unrestricted

Purpose of the report: To approve the Annual Governance Assurance Statement 2017/18

Recommendation:

- (1) Cabinet approve the Annual Governance Assurance Statement and request that the Leader and the Head of Paid Service sign this statement on behalf of the Council.
- (2) Governance Committee are asked to accept the Annual Governance Assurance Statement alongside the 2017/18 Statement of Accounts.

1. Summary

- 1.1 Annually, the Council is required to conduct a review of the effectiveness of our system of internal control and also report on the extent to which we comply with our own Local Code of Corporate Governance. This must be conducted in accordance with the Delivering Good Governance in Local Government Framework 2016 Edition and is reported as the Annual Governance Assurance Statement. Cabinet are asked to accept the Annual Governance Assurance Statement for 2017/18, as recommended by the Corporate Management Team and request that the Leader and the Head of Paid Service sign this statement on behalf of the Council.
- 1.2 The Governance Committee is asked to accept the Annual Governance Assurance Statement alongside the 2017/18 Accounts.

2. Introduction and Background

- 2.1 The Accounts and Audit Regulations 2015, require that the Council conducts at least annually, a review of the effectiveness of its System of Internal Control and also report on the extent to which we comply with our own Local Code of Corporate Governance. The Council's Annual Governance Assurance Statement is prepared to meet these requirements and will be provided alongside the published Statement of Accounts in accordance with the Accounts and Audit Regulations 2015.
- 2.2 The statement is to be signed by the Leader and the Chief Executive, having paid due regard to any matters raised by the Section 151 Officer and the Monitoring Officer. In particular, the opinion of the Director of Governance and Monitoring Officer on the level of assurance that the governance arrangements can provide and that the

arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

2.3 The Annual Governance Assurance Statement for 2017/18 is attached. Corporate Management Team agreed to its acceptance in May 2018. The statement has been prepared taking into account the following information:

- A detailed review of the Council's performance measured against the new Core and Sub Principles as detailed in the Delivering Good Governance in Local Government Framework 2016 Edition.
- The service review work performed by Internal Audit during the year.
- Internal Audit's review of Corporate Governance arrangements.
- Assurance Statements produced by individual Directors of Service.
- The information gathered as a result of risk assessment and management.
- The annual reports of the Scrutiny and Governance Committees.

2.4 The Action plan will be monitored during the year and progress reported to Governance Committee.

3. Identification of Options

3.1 Agree the Annual Governance Assurance Statement including the key actions identified for signature by the Leader and then inclusion in the 2017/18 Accounts and adopt the revised Corporate Governance Local Code.

3.2 Do not agree the Annual Governance Assurance Statement and Corporate Governance Local Code as provided and require further analysis and clarification.

4. Evaluation of Options

4.1 Option 1 is the preferred option, as in preparing the Annual Governance Assurance Statement this fully meets the requirements of the Accounts and Audit Regulations 2015. Delivering Good Governance in Local Government Framework (2016 Edition) states:

"The preparation and publication of an Annual Governance Statement in accordance with Delivering Good Governance in Local Government: Framework (2016) would fulfil the statutory requirements across the United Kingdom for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control and to include a statement reporting on the review with its Statement of Accounts. In England the Accounts and Audit Regulations 2015 stipulate that the Annual Governance Statement must be "prepared in accordance with proper practices in relation to accounts". Therefore a local authority in England shall provide this statement in accordance with Delivering Good Governance in Local Government: Framework (2016)".

5. Resource Implications

None.

6. Corporate Implications

- 6.1 Comment from the Section 151 Officer: Finance have been consulted and have nothing further to add (VB).
- 6.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.
- 6.3 Comment from the Equalities Officer: 'This report does not specifically highlight any equality implications, however in discharging their duties members are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>.

7. Appendices

Appendix 1 – Annual Governance Assurance Statement

Appendix 2 – Action Plan – Backward Looking

Appendix 3 – Action Plan – Forward Looking

8. Background Papers

Accounts and Audit Regulations 2015

CIPFA Delivering Good Governance in Local Government Framework 2016 Edition

Contact Officer: David Randall, Director of Governance

Dover District Council Annual Governance Assurance Statement

1 APRIL 2017 TO 31 MARCH 2018

1. WHAT WE ARE RESPONSIBLE FOR

We are responsible for ensuring that our business is conducted in line with the law and proper accounting standards, and for using public money economically, efficiently and effectively. We have a duty under the Local Government Act 1999 to continually review and improve the way we work and at the same time have regard to a combination of economy, efficiency and effectiveness.

In order to meet our responsibility we have in place proper arrangements for overseeing what we do and this is called Governance. These arrangements make sure that we do the right things in the right way, that our services reach the right people and that we are open, honest and accountable in the way that we deliver those services. This all contributes to our sound system of governance

We have approved and adopted a Local Code of Corporate Governance and a copy of this is available on our website at <http://www.dover.gov.uk/Corporate-Information/CorporateGovernance.aspx>.

2. THE AIM OF THE GOVERNANCE FRAMEWORK

The Governance Framework details the systems, processes, culture and values that we are controlled by and which we are answerable to. It also shows what we get involved with and how we engage with the community. It also shows how we monitor what we are achieving so that we can deliver services that are appropriate and value for money.

The system of internal control is an important part of the framework and is designed to manage risk to a reasonable level. It cannot remove all risk of failure to achieve policies and aims and can only provide reasonable protection. The system of internal control is based on an ongoing process designed to:

- Identify and prioritise anything that could prevent us from achieving our policies and aims
- Assess how likely it is that identified risks might happen and what the result would be if they did
- Manage those risks efficiently, effectively and economically

The Governance Framework describes what has been in place at Dover District Council for the year ended 31 March 2018 and up to the date of approval of the Council's accounts.

3. OUR GOVERNANCE FRAMEWORK

Our Governance Framework is underpinned by seven core principles and supported by our Corporate Plan as well as many systems, policies, procedures and operations, which together ensure that the intended outcomes for our community and stakeholders are defined

and achieved. Good governance is dynamic, and Dover District Council is committed to improving governance on a continuing basis through a process of evaluation and review.

The key features are:

(a) Our Core and Supporting Principles

The seven core principles are taken from the International Framework: *Good Governance in the Public Sector* and help this Council demonstrate good governance. Each of these principles translates into a range of specific requirements and they are also reflected in this Corporate Governance Local Code:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- B. Ensuring openness and comprehensive stakeholder engagement.
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes.
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- F. Managing risks and performance through robust internal control and strong public financial management.
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

(b) Our Corporate Plan

This is our main strategic document providing a framework for the delivery of our services and providing context for all the other strategies and plans that we have. The Corporate Plan for 2016-2020 is published and is available on the Council's website. The Council approved a new Corporate Plan in March 2016 which continues with the overall direction of travel as the previous version.

The following strategic priorities have been identified in the 2016-2020 Corporate Plan:

- Thriving Economy
- Clean, Green and Safe Environment
- Healthier People and Communities
- Smarter Council

(c) Business Plans

The Business Plan is one of the central mechanisms for each Head of Service managing their own area of activity and therefore sits at the centre of the Corporate Governance process. The business plans support the aims of the Corporate Plan which include performance indicators that are used to measure our achievements.

(d) **Our Constitution**

Our Constitution details how we operate, how decisions are made and the procedures, which are to be followed. It also ensures that we work in an efficient and transparent way and that we are accountable to local people. The Monitoring Officer and Solicitor to the Council are responsible for keeping the Constitution under review.

(e) **The Executive**

The Executive are responsible for most decisions and is made up of the Leader and a Cabinet. Major decisions to be taken are published in advance in the Executive's Notice of Forthcoming Key Decisions, and will generally be discussed in a meeting open to the public. All decisions must be in line with our overall policies and budget. Any decisions the Executive wishes to take outside the budget or policy framework must be referred to Council as a whole to decide.

(f) **Corporate Management Team**

The Corporate Management Team comprises the Chief Executive (and Head of Paid Service) with responsibility for Regeneration and Development; Director of Governance (and Monitoring Officer); Director of Finance, Housing and Community (and S151 Officer) and Director of Environment and Corporate Assets.

Members of Corporate Management Team have a responsibility for the day to day running of each Division of the Council. They must regularly assess their Division's assurance arrangements and provide the Council with the opportunity to keep check on the adequacy of its overall arrangements.

(g) **Governance Committee**

The seven appointed members of the Council provide independent assurance of the adequacy of the risk management framework and the associated control environment together with independent review of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment. The Committee oversees the financial reporting process by considering the final Statement of Accounts. Since the annual Council meeting on 17 May 2017, the Committee promotes high standards of conduct amongst the 45 members of Dover District Council and (up to) 317 members of Town and Parish Councils in the District. Complaints of service maladministration are investigated and reported to the Committee. Lessons learned from these complaints are reviewed and acted on.

The Chairman provides an Annual Report of the Governance Committee to the Annual Council Meeting

(h) **Overview and Scrutiny**

There are two overview and scrutiny committees who support and monitor the work of the Executive. A "call-in" procedure or addition to the work programme allows scrutiny to review Executive decisions before they are implemented, thus presenting challenge and the opportunity for a decision to be reconsidered. The Monitoring Officer provides an Annual Report of the Scrutiny Committees to the Annual Council Meeting.

(i) Monitoring Officer

The Monitoring Officer is responsible for considering allegations of Members breaches of the codes of conduct.

(j) Our Solicitor

The Solicitor to the Council provides his opinion on our compliance with our legal obligations.

(k) Financial procedures and Contract Standing Orders

We have to ensure that we act in accordance with the law as well as various other regulations. We have developed policies and procedures for our officers to ensure that, as far as are possible, they understand their responsibilities both to the Council and to the public. Two key documents are the Financial Procedure Rules and the Contract Standing Orders, which are available to all officers via the Council's Intranet, as well as available to the public as part of the Constitution. The Financial Procedure Rules and Budget and Policy Framework Procedure Rules are currently being reviewed and will be considered by the Governance Committee on 28 June 2018.

(l) Financial Management

Our financial management arrangements conform with the requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government. In addition to the Financial and Contractual procedure rules contained within the constitution, in order to maintain its financial management the Council operates budgetary control procedures which are used in conjunction with a Medium Term Financial Plan (MTFP).

Responsibility for ensuring that an effective system of internal financial control is maintained rests with the Section 151 Officer. The systems of internal financial control provide reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected quickly.

Internal financial control is based on a framework of management information, financial regulations and administrative procedures, which include the segregation of duties, management supervision and a system of delegation and accountability. On-going development and maintenance of the various processes may be the responsibility of other managers.

In particular, the process includes:

- The setting of annual budgets;
- Producing the Medium Term Financial Plan
- Monitoring of actual income and expenditure against the annual budget;
- A mid-year review of the annual budget;
- Setting of financial and performance targets, including the use of the prudential code and associated indicators;
- Quarterly reporting of the Council's financial position to Members;
- Clearly defined capital expenditure guidelines;
- Treasury Management Strategy

- The monitoring of finances against a Medium Term Financial Plan;
- Managing risk in key financial service areas.
- A continuous and effective internal audit.

Through our budget monitoring processes we are able to ensure that financial resources are being used to their best advantage, this includes quarterly management reporting to the Corporate Management Team and Members.

Financial planning is underpinned by business planning. Increased expenditure in any service area has to be justified to the Corporate Management Team, and where necessary approved by the Executive. Corporate Management Team is tasked with prioritising resources to ensure that the objectives within Corporate Plan are supported by the individual business plans, and that improvements are in line with corporate objectives.

(m) **Policies**

Corporate policies on a range of topics such as Equality, Information Governance and Data Protection are all subject to internal review. We keep all staff aware of changes in policy, or documentation through a system called NETconsent. The corporate training needs are identified each year and appropriate training for all or key members of staff is provided.

(n) **Risk**

The risk management strategy, which forms part of the Corporate Governance Local Code, shows the role both Members and Officers have in the identification and minimisation of risk. Risks are recorded in a Corporate Risk Register and are then subject to regular review.

(o) **Service Assurance**

A Service Assurance Statement is produced annually by all Directors of this Council and of Shared Services detailing their assessment of their services. They are required to give assurance that risks have been identified, that sound business arrangements operate in their service areas, and that the service is subject to monitoring and review in order to assess performance.

(p) **Performance Management Framework**

Progress towards the achievement of our objectives is monitored through our Performance Management Framework. A quarterly Performance Report is produced and reviewed by Corporate Management Team, by Cabinet and by the Scrutiny (Policy and Performance) Committee.

(q) **Internal Audit**

The East Kent Audit Partnership Internal Audit Team reports to the Director of Finance, Housing and Community. They operate under a Charter, which defines their relationship with our officers, and the Governance Committee. Their main responsibility is to provide assurance and advice on our internal control systems to the Corporate Management Team and Members. Internal Audit reviews the adequacy, reliability and effectiveness of internal control and recommends improvements where appropriate. It also supports the development of systems,

providing advice on risk and control. Effective internal controls are an important part of the Corporate Governance process. Through their audit assurance work, internal audit provide an opinion on the effectiveness of the systems of internal control.

As part of the annual review of governance arrangements and in particular the System of Internal Control, we undertake an annual review of the effectiveness of the system of internal audit.

(r) **External Audit**

The work is currently undertaken by Grant Thornton, who are required to deliver their audit work in line with Local Audit and Accountability Act 2014 and in accordance with the Code of Practice issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General in April 2015.

(s) **Core Strategy and Local Plan**

The Core Strategy is the overarching statutory planning document for the District and was adopted by the Council in February 2010. The Core Strategy identifies the overall economic, social and environmental objectives for the District and the amount, type and broad location of development that is needed to fulfil those objectives. The Land Allocations Local Plan, which was adopted in 2015, identifies and allocates specific sites that are suitable for development in order to meet the Core Strategy's requirements.

The 2016/2017 Authority Monitoring Report highlighted its use in monitoring progress in the preparation of the Council's new District Local Plan, following a decision by Cabinet in March 2017 to review the Core Strategy (2010) and Land Allocations Local Plan (2015) and produce a new NPPF compliant Local Plan. The timetable for the preparation of the Local Plan is included in the Council's Local Development Scheme.

(t) **State of the District Report**

This report is the annual backward look at the state of the district, highlighting key information under the headings of: District Overview, Population Profile; Housing; Economy, Business and Employment; Finance; Education and Skills; Regeneration Delivery; Health and Wellbeing; Deprivation and Poverty; Community Safety and Quality of Life.

Not all information is collected and reported annually, as it is collated from a wide range of sources that is sporadically updated. In addition, periodically the process of capturing information is changed, this in turn makes year-on-year comparisons and trends difficult to assess. The report is published on our website and it is proposed that going forward there will be regular updates as new data is published, with members informed in a timely manner of any significant changes. In addition an annual strategic highlights report will be prepared each year, capturing overall changes in trends.

(u) **Communication and Consultation**

Strategies are in place. We have active Twitter and Facebook accounts, enabling the Council to communicate effectively with our communities and also enabling members of the public to communicate their views on a wide range of matters. In 2015 the Council launched its 'Keep Me Posted' email alert service which enables members of

the public to subscribe to email messages from the Council on a wide range of topics.

(v) **Equality**

As part of our equalities responsibilities, we publish our equality objectives and progress against the targets to ensure that all groups in our community have a voice, can be heard and know how we make our decisions. A revised equality policy was adopted by Cabinet in March 2016 and our latest performance update was published on our website in March 2018.

(w) **Whistleblowing**

A confidential reporting hotline is in place to enable internal and external whistleblowing. Informants are requested to be open in their disclosure, but it is recognised that on occasions informants will wish to remain anonymous. There are also processes in place for staff to report through their line managers, Corporate Management Team or East Kent Audit Partnership.

(x) **Employment Management**

The Employment Management Group considers all requests to fill staff vacancies. The group is chaired by the Director of Governance and supported by the Head of Finance, Head of Community Services and the EK Human Resources Business Partner. Their recommendations are considered by the Head of Paid Service who provides the final decision as to which posts can be filled.

(y) **Partnerships**

Partnership evaluation criteria have been established to help ensure that all key governance criteria are incorporated into new and existing partnerships.

4. REVIEW OF EFFECTIVENESS OF THE GOVERNANCE FRAMEWORK

We have a responsibility for conducting, at least annually, a review of the effectiveness of our governance framework including the system of internal control. This review is informed by the ongoing monitoring and review by the Director of Governance, EK Internal Audit Partnership and the Head of the Audit Partnership's Annual Report, the work of our Directors and Heads of Services and their managers who have responsibility for the development and maintenance of the governance environment. This review is also informed by the findings and reports of our external auditors together with any other review agencies or inspectorates.

(a) **The Director of Governance and Monitoring Officer has responsibility for:**

- Monitoring the Constitution and keeping it up to date
- Overseeing and monitoring the Corporate Governance Local Code
- Maintaining and updating the code if required by best practice
- Reporting annually to members on performance and compliance with the code
- Ensuring ethical standards and conduct are met

- (b) **The Director of Finance, Housing and Community has responsibility for:**
- Publishing financial information and statements accurately and reliably.
 - Confirmation that resources are managed efficiently and effectively.
- (c) **The Director of Governance and Monitoring Officer and the Director of Finance, Housing and Community have responsibility for:**
- The overall review of the internal control opinion and framework evidence, including service assurance statements, the audit review of Corporate Governance, the Constitutional review, Performance reporting, Risk management arrangements and the individual audit and risk management assessments.
 - Review of the Effectiveness of Internal Audit.
 - The External Auditor's Annual Audit and Inspection Letter, service assessments and other associated reviews and ensuring that they are acted upon.
- (d) **All Directors have responsibility via a Service Assurance Statement to ensure that:**
- Risks have been identified. They are recorded and monitored in accordance with the Council's Risk Management Strategy.
 - Staff are fully aware of the requirements of their job, and have access to the appropriate Council rules and policies to assist them.
 - Internal and External Audit reports and recommendations have been acted on.
 - Reports from other review agencies have been acted on.
 - Business arrangements are conducted in accordance with the law and proper standards.
 - Public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
 - The service has in place appropriate management and reporting arrangements to enable it to satisfy itself that its approach to Corporate Governance is both adequate and effective.
 - A statement of assurance that improvement plans exist to rectify any acknowledged deficiency.
- (e) **Solicitor to the Council has responsibility:**
- Via his annual statement to give his opinion on the Council's compliance with relevant laws and regulations, and its legal obligations and requirements
- (f) **Cabinet has responsibility for:**
- All Executive Decisions in respect of functions delegated to it by the Leader of the Council
 - Setting robust and challenging targets and
 - Monitoring the achievement of key priorities
- (g) **Council has responsibility for:**
- Agreeing or amending the Policy Framework

- Agreeing or amending the budget, including the borrowing or capital expenditure strategy and setting the Council Tax

(h) **Scrutiny (Policy and Performance) Committee has responsibility for:**

- Scrutiny of budgets and major policies
- Monitoring the achievement of key priorities
- Scrutiny co-ordination

(i) **The Governance Committee has a responsibility for:**

- Ensuring effective internal audit and internal control arrangements
- Receiving the annual Internal Audit Programme of work
- Receiving quarterly updates from the Head of the Audit Partnership on the assurance which can be placed against various systems and processes during the year
- Reviewing the annual assessment at the year end.
- Receiving the annual review of internal control
- Receiving the annual constitutional review
- Reviewing risk management arrangements
- Receiving Quarterly Treasury Management Reports
- Receiving the Annual Statement of Accounts

(j) **Internal Audit has responsibility to:**

- Provide an independent annual statement on the systems of internal control, highlighting areas of concern
- Report on the level of assurance in respect of the Council's internal control systems
- Provide an overall Assurance Statement from the Head of the Audit Partnership. This is compiled from the Internal Audit work programme and a review of this Council's Corporate Governance arrangements.

5. **THIS YEAR'S REVIEW**

(a) **Council**

Article 15 of the Council's Constitution makes provision for the regular review of the Constitution by the Monitoring Officer. During 2017/18 the training policy for councillors was reviewed and work was commenced on a number of other areas that will be delivered in 2018/19. The key focus of the next review due in 2018/19 is producing a revised set of Financial Procedure Rules, reviewing the Responsibility for Functions and Proper Officer Appointments, improving transparency and accessibility reflecting changes to the Council's organisational structure and the collation of changes made by decision making bodies such as Cabinet or Council during the course of the previous year.

(b) **Cabinet**

Key Executive decisions were considered by the Cabinet, in particular relating to the budget and medium term financial plan, and the delivery of key regeneration priorities.

The Council's Quarterly Performance Report was received and reviewed quarterly. This examines our performance against agreed performance targets and our key priorities.

(c) **Scrutiny**

The Council's key priorities and Performance Indicators were reviewed regularly and challenged if necessary.

The Annual Report of the work of the Scrutiny Committees for 2017/18 was presented to the Annual Council Meeting on 23 May 2018. This identified sound governance arrangements, including an effective scrutiny process, which underpins the achievement of all the Council's corporate objectives.

(d) **Governance Committee**

The Governance Committee received quarterly updates from the Head of East Kent Audit Partnership on the assurance which can be placed against various systems and processes during the year, including reviews of internal controls, along with the annual assessment. The Committee kept a check on those areas that have not achieved expected levels of audit assurance.

This Committee also reviewed the effectiveness of the Council's risk management arrangements.

The Director of Governance and Solicitor to the Council are responsible for ensuring that the Constitution is reviewed regularly. It is not practical to undertake a full yearly review, so specific areas are selected each year. During 2017/18 the training policy for councillors was reviewed and work was commenced on a number of other areas that will be delivered in 2018/19. The Governance Committee recommended the changes for approval by the Council. All are documented on our website.

The Annual Report of the work of the Governance Committee for 2017/18 was presented to the Annual Council Meeting on 23 May 2018. This gave a positive opinion on the system of internal control. The Governance Committee continued to be assured of the integrity and reliability of data held in financial statements. The work undertaken by Internal and External Audit provided detailed assurance on those areas of the Council's work which were the subject of reports.

The assurances from the Director of Finance, Housing and Community, Director of Governance and Director of Environment and Corporate Assets and the work of Internal and External Audit together supported the Committee in forming their opinion of the financial statements, enabling them to agree to sign the 2016/17 accounts in accordance with the regulations. For this year, the same process provides the committee with the necessary assurances to approve the 2017/18 accounts at its meeting on 28 June 2018.

The submission of this Annual Report continues to enhance the effective communication of our governance processes.

The Governance Committee received bi-annual reports on the progress of formal service complaints against the Council and lessons learned from those complaints.

There were 13 referrals to Local Government Ombudsman (LGO) in 2016/17, none were upheld. The official statistical return from the LGO for 17/18 is due to be received in the summer of 2018 and will be reported to the Governance Committee.

Changes adopted by Council in January 2014, included a provision which allows Members to declare non-financial interests. The Kent Model Code of Conduct continues to be regularly reviewed in order to ensure that it remains fit for purpose. The ability to declare a non-financial interest has been welcomed by Members and has been utilised on several occasions to ensure transparency in decision-making.

(f) Review of Internal Audit

The effectiveness of internal audit is monitored jointly by the Monitoring Officer and the Section 151 Officer through:

- Quarterly review meetings with the Head of Internal Audit
- Sign off of the Audit Plan
- Review of the internal audit annual report
- Attendance at Governance Committee
- Review of individual audit reports
- Meetings with the S151 officers of the other partners

(g) The Work of Internal Audit

The overall opinion of the System of Internal Controls in operation throughout 2017/18 based on the work of the East Kent Audit Partnership during 2017/18 will be presented in their annual report to the Governance Committee in July.

- The internal auditors are independent to the management of the Council and have direct access to the Chair of the Governance Committee if required. They provide a regular update to the Committee at each of the quarterly meetings, and attend any special meetings that may be convened during the year.
- As at 31 March 2018 the Internal Auditors completed 273 days of review equating to 105% of planned completion. The East Kent Audit Partnership (EKAP) undertake a regular schedule of follow up audits to ensure that management have implemented the action plans arising from each audit. Members can see full details within the Internal Audit Annual Report that will be presented to the Governance Committee in June 2018.
- The EKAP have met as a team and considered the Public Sector Internal Audit Standards Checklist for compliance. The results of this self-assessment showed that internal audit is currently working towards full compliance and has agreed an action plan to achieve this.
- As part of EKAP's quality monitoring arrangements Members should be aware that following the completion of each audit, a satisfaction questionnaire is completed by the managers of the service that has been audited enabling the officers involved to comment on the conduct and outcome of the audit. This information is used, in part, to inform the self-assessment.

(h) **External Reviews**

There were no external reviews held this year.

(i) **Training**

Comprehensive Training is provided at the outset for the new Council and this is refreshed during the four year term, to ensure that the councillors have the skills and expertise to make sound and effective decisions.

The officer performance appraisal includes a personal Improvement plan, where training and development needs are discussed and agreed. These are provided annually to the Director of Governance to help inform the training needs of the organisation, some of which will be delivered corporately via the Corporate Training Plan. In 2017/18 a number of Heads of Service, Managers and Team Leaders gained an Institute of Learning and Management qualification (level 3 or level 5), which helps enhance their skills and knowledge as leaders in the organisation.

(j) **Members Code of Conduct**

During 2017/18 the Monitoring Officer received eleven complaints, relating to members at six authorities. Two cases are currently subject to investigation. The Governance Committee Hearing Panel did not meet during 2017/18 to conduct a hearing into a complaint that had been the subject of an investigation.

During the municipal year 2017/18 there were no requests for dispensation.

6. **SIGNIFICANT GOVERNANCE ISSUES DURING THE YEAR**

- (a) The Annual Reports of the Scrutiny and Governance Committees provide a positive statement and opinion regarding the governance arrangements and the effectiveness of the internal control environment operating across this Council.
- (b) There were thirteen cases reviewed by the Local Government Ombudsman during 2016/17, no cases of maladministration were found. The official return from the LGO for 17/18 is due to be received in the summer of 2018.
- (c) The East Kent Corporate Information Governance Group finalised the Information Governance Framework and the associated suite of Information Governance Policies (16 in total). The new and revised policies were subject to staff consultation in the autumn of 2016, before adoption by the Cabinet on behalf of this Council in January 2017. These continue to be kept under regular review by the group.
- (d) The Notice of Forthcoming Key Decisions continues to publish key decisions to be taken by the Cabinet. Cabinet Reports are considered by Finance, Legal and Equalities Officers and then by CMT to ensure that outcomes are consistent with the Council's corporate direction.
- (e) Kent County Council Elections were held on 4 May 2017 and a Parliamentary Election on 8 June 2017. The Parliamentary election was called at short notice and both elections required the involvement of most Council staff on the days, whilst a significant number of key staff were seconded to election duties, before the dates. In addition to these two major elections, there were nine District and/or Parish by-elections that were held during 2017/18.

- (f) A suite of performance indicator targets were approved by Cabinet at the start of the 2017/18 financial year and were then measured via the quarterly performance reports.
- (g) With the introduction of the new General Data Protection Regulations (GDPR) due in May 2018, an internal GDPR Project Team was established to support the review of retention schedules, the identification of information asset owners and the development of privacy notices for services across the Council. All members of staff are required to undertake online GDPR training and briefings sessions have been provided for all Members to attend.
- (h) In December 2017 the Supreme Court held that the Council had acted unlawfully when its Planning Committee's failed to give legally adequate reasons in approving a planning application contrary to the recommendations of its planning officers in 2013. This was a somewhat obscure area of the law and the decision has been much discussed by legal and planning professionals. The decision turned very much on its own facts and it is not considered that it points to any systemic failures in the Council's governance processes. Nevertheless, members of the Planning Committee and the officers advising it need to be mindful that legally adequate planning reasons must be given by the Planning Committee if and when it decides that a planning permission should be granted contrary to officer recommendation.
- (i) Governance support was provided to the Director of Shared Services in the outsourcing of shared services to Civica (Revenues and Benefits, and Customer Services) and the restructuring of the residual services (Client side, ICT and HR).
- (j) Following the resignation of the previous Leader of the Council a new Leader was elected at the Council meeting in October 2017. At the same meeting, the newly elected Leader of the Council made a number of changes and appointments to the portfolio structure of the Cabinet.
- (k) In December 2017 the Council authorised the Chief Executive to make a submission on a future Council size of 32 Councillors to the Local Government Boundary Commission for England (LGBCE). The LGBCE announced on 30 January 2018 that it was minded to make a recommendation of a future Council size of 32. On 28 March 2018, the Council authorised the Chief Executive to make a further submission to the LGBCE on ward patterns (boundaries) for the district based on the proposed Council size of 32.

7. **IMPROVEMENTS DURING THE YEAR**

- (a) The Council continues to work with the Cabinet Office to obtain continued Public Sector Network (PSN) Compliance. This included IT Equipment, systems and software upgrades to ensure PSN compliance and to ensure that staff and members can work safely and securely from any location.
- (b) The officer Conditions of Service Working Group oversees the employee terms and conditions and ensures that they remain up to date and relevant. The Council's General Purposes Committee approved revisions to the new terms and conditions of service for officers (introduced in January 2017) at its meeting on 12 March 2018. The revisions included the adoption of a new Drugs and Alcohol Policy and a revised Driving at Work Policy. A new Childcare Voucher scheme and policy was also adopted by the Council's General Purposes Committee on 9 October 2017.

- (c) The 2018/19 Pay Policy and Gender Pay Gap Statements were delivered and adopted at the Council and Cabinet Meetings in March 2018.
- (d) Service reviews of Democratic and Electoral Services and Corporate Services were undertaken during 2017/18, resulting in new structures, and revised job descriptions.
- (d) A forward looking action plan has been prepared for 2018/19 and this will be kept under regular review by the Director of Governance and reviewed by the Governance Committee at its December 2018 meeting.

8. **OPINION OF THE DIRECTOR OF GOVERNANCE**

I can confirm that the governance arrangements provide and continue to be regarded as fit for purpose in accordance with the governance framework and I will ensure that that the implementation is monitored as part of the next annual review.

Signature:: _____ Date: _____

David Randall
Director of Governance

9. **STATEMENT OF THE LEADER OF THE COUNCIL AND THE CHIEF EXECUTIVE**

We have reviewed the effectiveness of the Council's governance framework and noted the opinion and commitment of the Director of Governance. We sign this Annual Governance Assurance Statement on behalf of the Council.

Signature:: _____ Date: _____

Councillor Keith Morris
Leader of the Council

Signature:: _____ Date: _____

Nadeem Aziz
Chief Executive

Governance Assurance Statement Action Plan – Backward Looking

Action Description	Evidenced by	Completed
The corporate plan to be been kept up to date and any necessary update is published	Corporate plan is up to date and published on the website	31/03/18
The Constitution and Code of Conduct are subject to an annual review and updated where applicable	The constitution has been reviewed and changes and amendments are agreed by the Governance Committee and Council	31/03/18
Business Plans prepared and published for each division	Business plans for the forthcoming year completed and returned to Corporate Services.	31/03/18
Quarterly performance reports all reviewed by Cabinet and Scrutiny.	Performance reports published on the website.	31/03/18
	Performance reports reviewed by Cabinet and Scrutiny as per minutes published on the Website.	31/03/18
Audit reports reviewed quarterly by Governance Committee and follow up reviews undertaken where the audit review show the expected levels of assurance had not been achieved.	Agreed high risk recommendations following audit reviews are followed up in a timely manner by management	31/03/18
	Quarterly audit reports covering audit reviews and follow up reviews are received by Governance Committee	31/03/18
Governance Committee have received reports on the progress of formal service complaints against the Council and lessons learned from those complaints.	Governance committee review progress on all formal service complaints at least half yearly. Reports published on website.	31/03/18
Alleged breaches of the Members' Code of Conduct by District, Town and Parish Councillors are considered by the Monitoring Officer in a timely manner.	Breaches of the Member Code of Conduct have been considered by the Monitoring Officer throughout the year.	31/03/18
Audit undertake their annual review of the effectiveness of systems of internal control.	Audit have completed their annual review of the system of internal control and the results are built in to their annual report	31/03/18
Governance Framework reviewed and any amendments approved.	All amendments approved by the Governance Committee and Council.	31/03/18
The provision for clawback of MMI insurance claims is reviewed and is adequate.	MMI provision is as per the MMI annual statement	31/03/18
Officer Training Plan Developed	Corporate Training Needs agreed and training plan delivered.	31/03/18
	ILM Training delivered for middle and senior management	
	Induction Training for new starters.	

Action Description	Evidenced by	Completed
Corporate Information Governance	Periodic review of the corporate information and security governance framework and policies for East Kent.	31/03/18
Apprenticeship Levy	Compliance with the new Government requirements, including procurement of appropriate training for new apprentices.	31/03/18

Governance Assurance Statement Action Plan – Forward Looking

Action Description	Evidenced by	Due
The corporate plan to be been kept up to date and any necessary update is published	Corporate plan is up to date and published on the website	31/03/19
The Constitution and Code of Conduct are subject to an annual review and updated where applicable	The constitution has been reviewed and changes and amendments are agreed by the Governance Committee and Council	31/03/19
Business Plans prepared and published for each division	Business plans for the forthcoming year completed and returned to Corporate Services.	31/03/19
Quarterly performance reports all reviewed by Cabinet and Scrutiny.	Performance reports published on the website.	31/03/19
	Performance reports reviewed by Cabinet and Scrutiny as per minutes published on the Website.	31/03/19
Audit reports reviewed quarterly by Governance Committee and follow up reviews undertaken where the audit review show the expected levels of assurance had not been achieved.	Agreed high risk recommendations following audit reviews are followed up in a timely manner by management	31/03/19
	Quarterly audit reports covering audit reviews and follow up reviews are received by Governance Committee	31/03/19
Governance Committee have received reports on the progress of formal service complaints against the Council and lessons learned from those complaints.	Governance committee review progress on all formal service complaints at least half yearly. Reports published on website.	31/03/19
Alleged breaches of the Members' Code of Conduct by District, Town and Parish Councillors are considered by the Monitoring Officer in a timely manner.	Breaches of the Member Code of Conduct have been considered by the Monitoring Officer throughout the year.	31/03/19
Audit undertake their annual review of the effectiveness of systems of internal control.	Audit have completed their annual review of the system of internal control and the results are built in to their annual report	31/03/19
Governance Framework reviewed and any amendments approved.	All amendments approved by the Governance Committee and Council.	31/03/19
The provision for clawback of MMI insurance claims is reviewed and is adequate.	MMI provision is as per the MMI annual statement	31/03/19
Officer Training Plan Developed	Corporate Training Needs agreed and training plan delivered. ILM Training delivered for middle and senior management Induction Training for new starters.	31/03/19

Action Description	Evidenced by	Due
Corporate Information Governance	Periodic review of the corporate information and security governance framework and policies for East Kent.	31/03/19
Apprenticeship Levy	Compliance with the new Government requirements, including procurement of appropriate training for new apprentices.	31/03/19
General Data Protection Regulations (GDPR)	Generic and service specific privacy notices are published on the Council's website	31/05/18
	Information Asset Registers and Retention Schedules are in place for all services	30/09/18

Subject:	REVIEW OF THE CONSTITUTION 2018 – FINANCIAL PROCEDURE RULES AND BUDGET AND POLICY FRAMEWORK PROCEDURE RULES
Meeting and Date:	Governance Committee – 28 June 2018 Council – 25 July 2018
Report of:	David Randall, Director of Governance (Monitoring Officer)
Classification:	UNRESTRICTED

Purpose of the report: To approve the proposed changes to the Financial Procedure Rules and Budget and Policy Framework Procedure Rules as detailed in the Appendices to and to incorporate them into the Council's Constitution, issue no. 21.

Recommendation:

Governance Committee: That it be recommend to Council that the proposed changes as part of the 2018/2019 Review of the Constitution relating to Part 4 – Financial Procedure Rules and Budget and Policy Framework Procedure Rules as detailed at section 2 of this report be approved and incorporated into the Council's Constitution, issue no. 21.

The Director of Governance and Monitoring Officer is authorised to make any associated incidental changes to the Constitution.

Council: That the proposed changes as part of the 2018/2019 Review of the Constitution relating to Part 4 – Financial Procedure Rules and Budget and Policy Framework Procedure Rules as detailed at section 2 of this report be approved and incorporated into the Council's Constitution, issue no. 21.

The Director of Governance and Monitoring Officer is authorised to make any associated incidental changes to the Constitution.

1. Introduction and Background

1.1 Article 15 of the Council's Constitution makes provision for the regular review of the Constitution by the Monitoring Officer on an annual and ad-hoc basis. As part of the 2018/19 review, changes are proposed to the:

- (a) Financial Procedure Rules – a new set of procedure rules replace the existing rules.
- (b) Budget and Policy Framework Procedure Rules – revisions to the existing rules.

2. Proposed Changes

2.1 In 2000 the (then) Department of the Environment Transport and the Regions issued guidance on the content and operation of new council constitutions required under The Local Government Act 2000: This was published under the title "Local Government Act 2000: Guidance to English Local Authorities. From this the current Financial Procedure Rules were developed and incorporated as part of a new constitution adopted by the Council, with effect from 1 April 2002. Although changes have been incorporated over the years to reflect changing legislation and

procedures, the Financial Procedure Rules haven't been fully reviewed for nearly 16 years.

- 2.2 The guidance provided in 2000 has not been revised since 2002. In a number of instances it is out of date and has been superceded by later legislation. In addition, a number of the practices in the current Financial Procedure Rules are hardly ever used, especially relating to cash based transactions, whilst other accounting practices have changed or been modified to accord with financial reporting standards. The Financial Procedure Rules also duplicate quite a large amount of information that is found elsewhere in the constitution, meaning that unless carefully cross referenced there is a risk of the information becoming out of date.
- 2.3 Therefore the Financial Procedure Rules have been completely redesigned, retaining the key relevant aspects of the current rules, (such as budgetary control, virements)., They have been updated to reflect the latest legislation and changes in accounting practice and have been simplified to remove information that doesn't relate to financial procedures.
- 2.4 As a result of the changes made to the Financial Procedure Rules, it has been necessary to make amendments to the Budget and Policy Framework Procedure Rules to reflect both the way in which the law has developed and the operational practices and procedures of the Council.
- 2.5 Parts of the guidance are designated as 'statutory guidance'. This has been interpreted by the courts as meaning that those to whom such guidance is directed are required to follow it, unless there is good reason for not doing so. It is not considered that the proposed changes involve a departure from the statutory guidance.

3. Approval of Amendments to the Constitution

- 3.1 The detail of the proposed changes are set out below:
 - (a) Financial Procedure Rules. Replace the current rules with a completely new version as at Appendix 1.
 - (b) Budget and Policy Framework Procedure Rules. Replace with the revised version as at Appendix 2.

4. Identification of Options

- 4.1 Option 1 - To approve the changes proposed as part of the 2018/19 review of the constitution as submitted.
- 4.2 Option 2 – To not approve the changes as part of the 2018/19 review of the constitution as submitted.
- 4.3 Option 3 – To request that the Director of Governance and Monitoring Officer amend the Financial Procedure Rules and Budget and Policy Framework Procedure Rules in some other way

5. Evaluation of Options

- 5.1 Option 1 is the preferred option. A detailed review of the Financial Procedure Rules has been undertaken by the Director of Governance and Monitoring Officer supported by the Head of Finance, Solicitor to the Council and Democratic Services Manager. This has involved researching best practice, reviewing the relevant legislation and case law and then developing a set of procedures that are accessible

and useful, especially for the accountancy team. Following this work, a careful review of the Budget and Policy Framework Procedure Rules was undertaken to ensure consistency.

- 5.2 Option 2 is not the preferred option as it will mean that the Council continues to have in place procedure rules that are now becoming out of date and as a result are not referred to, with work arounds being introduced.
- 5.3 Option 3 is a possible way forward, although it will be difficult for the Governance Committee or the Council to make any significant changes to the proposals at their meeting. Should members be minded to pursue this option, it would be helpful if they could discuss with the Director of Governance and Monitoring Officer their proposal to enable a further or amended report to be presented to a future meeting of the Governance Committee and the Council.

6. **Resource Implications**

There are no budget implication arising from this proposal, however some training will be required for relevant staff on the new procedure rules. This training will be provided in house by the Finance team.

7. **Corporate Implications**

- 7.1 Comment from the Section 151 Officer: No further comments to add. (HL)
- 7.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.

8. **Attachments**

Appendix 1 – Part 4, New Financial Procedure Rules

Appendix 2 – Part 4, Revised Budget and Policy Framework Procedure Rules

9. **Background Papers**

Draft Constitution of the Council (Version 21).

Local Government Act 2000 and the regulations made under that Act.

<https://www.legislation.gov.uk/ukpga/2000/22/contents>

DETR Publication: "Local Government Act 2000: Guidance to English Local Authorities"

<http://webarchive.nationalarchives.gov.uk/20120920053721/http://www.communities.gov.uk/documents/localgovernment/pdf/155181.pdf>

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APPENDIX 1

Financial Procedure Rules

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1. Introduction

Background

- 1.1 Financial Procedure Rules are designed to maintain a high standard of financial administration. They must be available to, and be followed by, all Officers, Members and agents acting for the Council. Together with Standing Orders they regulate the conduct of the Council's business.
- 1.2 To help you understand the terminology used in the Financial Procedure Rules a Glossary of Terms is attached at Appendix A.
- 1.3 The contents are set out in alphabetical order for ease of reference.

Legislation

- 1.4 Section 151 of the Local Government Act 1972 requires every local authority "to make arrangement for the proper administration of their financial affairs and secure that one of their Officers has responsibility for the administration of those affairs" The Council has appointed the Director of Finance, Housing and Community as the Section 151 Officer. The Section 151 Officer has nominated the Head of Finance as his deputy.
- 1.5 Section 114 of the Local Government Finance Act 1988 requires the Officer appointed under Section 151 to report to the Authority and provide a copy of the report to the external auditor if it appears to him / her that:
 - (i) The Authority, the Cabinet, Portfolio Holder, Committee, or Officers of the Authority or Joint Committee on which the Authority is represented:
 - Has made or is about to make a decision which involved or would involve the Authority incurring expenditure which is unlawful.
 - Has taken, or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the authority.
 - Is about to enter an item of account, the entry of which is unlawful.
 - (ii) The expenditure of the Authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to meet that expenditure.
- 1.5 The Accounts and Audit Regulations 2015 reiterate the responsibilities of the 'Section 151 Officer' with regard to accounting records and maintenance of proper accounting practices. These regulations place the responsibility for the maintenance of an adequate and effective system of internal audit on the Authority as a whole.
- 1.6 Section 76 of the Local Government and Housing Act 1989 requires the Council to take corrective action if there is likely to be a deficit on the Housing Revenue Account.

Scope and Review

- 1.7 It is the responsibility of Heads of Service to ensure that all staff in their departments are aware of their responsibilities according to the Financial Procedure Rules and other regulatory documents (e.g. the Anti-Fraud and Corruption Policy, the Money Laundering Policy, Whistleblowing Policy) and comply with them.
- 1.8 Failure to follow the Financial Procedure Rules and Standing Orders will be reported to the Director of Finance, Housing and Community immediately and, if serious, to the Cabinet and may be treated as a disciplinary offence.
- 1.9 Financial Procedure Rules also apply to agents and consultants acting for the Council and services carried out under agency arrangements or partnerships, unless specifically exempted by the relevant Head of Service and the Director of Finance, Housing and Community.
- 1.10 All Members and Officers have a general responsibility for taking reasonable action to provide for the security of assets under their control, and ensuring that the use of these resources is legal, is properly authorised and provides value for money.
- 1.11 The Director of Finance, Housing and Community is responsible for maintaining a continuous review of these regulations and submitting any changes necessary to Full Council for approval.

Interpretation

- 1.12 On a day-to-day basis, queries should be directed to the Head of Finance.
- 1.13 All references to Heads of Service relate to the Chief Executive, Directors, and all other Heads of Service.

2. Accounting Records and Procedures

- 2.1 The Section 151 Officer is responsible for keeping the Council's accounts in accordance with statutory requirements.
- 2.2 Heads of Services shall consult the Director of Finance, Housing and Community before changing any accounting procedures, financial records or the implementation or development of computer systems that involve a financial operation or produce output that may influence the allocation of resources.
- 2.3 The following principles will apply in accounting procedures:
 - (iii) Calculating, checking and recording of sums due to or from the Council will be separated as completely as possible from their collection or payment.
 - (iv) Officers responsible for examining and checking cash transaction accounts will not process any of these transactions.
- 2.4 The Head of Finance is responsible for ensuring financial and management accounting information is available for all services administered by the Council through the budget monitoring system.
- 2.5 The Council's statutory accounts will be prepared in accordance with the Accounts and Audit Regulations 2015 and the current Code of Practice on Local Authority Accounting in the United Kingdom.

2.6 The Head of Finance shall have overall control of the closing of the Council's accounts and preparation of the Council's Statement of Accounts. Heads of Service and budget managers shall comply with the closing of accounts timetable and guidance issued by the Head of Finance.

3. **Financial Management of the Council's Assets**

3.1 The Director of Environment and Corporate Assets will maintain a register of all land and property owned or leased by the Council.

3.2 The Head of Finance is responsible for maintaining the Council's Asset Register to reflect acquisitions, capital expenditure and disposals as appropriate.

4. **Audit**

Internal Audit

4.1 In accordance with the Accounts and Audit Regulations 2015, the Council shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control, and any Officer or Member shall:

(i) Make available to Internal Audit such documents that relate to the Council's accounting and other records that appear to be necessary for the purpose of the audit; and

(ii) Supply Internal Audit with such information and explanation as is considered necessary to Internal Audit for the purpose.

4.2 Internal Audit operates in accordance with the Public Sector Internal Audit Standards and with Terms of Reference and the Audit Charter, which are approved by the Governance Committee. Internal Audit shall have authority to:

(i) Enter at all reasonable times any Council premises or land;

(ii) Have access to all records, documents, contracts and correspondence, including computerised hardware and software, relating to any financial and/or other transaction of the Council;

(iii) Require and receive such explanations as are necessary concerning any matter under examination; and

(iv) Require any employee of the Council to produce cash, stores or any other Council property under his control.

4.3 Internal Audit is provided through the East Kent Audit Partnership. The Head of Audit Partnership has the right of access directly to the Section 151 Officer, the Chief Executive, The Monitoring Officer, the Solicitor to the Council, the Chair of the Governance Committee, and the Leader of the Council.

4.4 The scope for Internal Audit is the 'entire control environment'. This means that the scope for Internal Audit includes all the Council's own operations, resources, services and also its responsibilities in relation to other bodies. In order to turn this generic description into actual subjects for audit, the Head of Audit Partnership uses a Risk Assessment Method which allows all high risk subjects to be identified. Although this

process inevitably identifies the Council's fundamental financial systems as being 'high risk', other non-financial systems and functions are also identified as important areas for review by Internal Audit.

- 4.5 A four-year Strategic Plan will be prepared by the Head of Audit Partnership, which will be approved by the Governance Committee. A one-year Operational Plan will be prepared each year from the Strategic Plan. The Head of Audit Partnership will report the work performed against the Plan to the Governance Committee on a quarterly basis.

Preventing Fraud and Corruption

- 4.6 The Director of Finance, Housing & Community shall maintain the Council's Strategy for the Prevention of Fraud and Corruption and the Protocol for Dealing with Allegations of Fraud and Corruption. These documents are available on the Council's Intranet.

- 4.7 It is the duty of all Officers and Members who are aware of any financial irregularity to follow the strategy and protocol.

Whistleblowing

- 4.8 The Council has a Whistleblowing Policy to enable employees to raise their concerns at an early stage and in the right way.

- 4.9 This Policy is available on the Council's Intranet.

Money Laundering

- 4.10 It is the Council's policy to do all it reasonably can to prevent, wherever possible, the organisation and its staff being exposed to money laundering, to identify the potential areas where it may occur, and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases.

- 4.11 The Council has nominated the Director of Finance, Housing and Community as the Money Laundering Reporting Officer and the Head of Finance to be the deputy.

- 4.12 The Anti-Money Laundering Policy is available on the Council's Intranet.

5. Banking Arrangements

- 5.1 The Director of Finance, Housing and Community, as the appointed S151 Officer, has overall responsibility for the sound operation of the Council's bank accounts. This is delegated for day to day operations to the Head of Finance.

- 5.2 The Director of Finance, Housing and Community will review the Council's banking arrangement at least every 5 years.

- 5.3 The Director of Finance, Housing and Community and other Officers approved in writing by the Director of Finance, Housing and Community each have authority, in accordance with the mandate given to the bank, to sign and be accepted as satisfactory signatures for any other purpose in connection with the Council's bank accounts.

5.4 All payment instructions for amounts of £30,000 and above require two authorising signatures.

5.5 All bank accounts are to be reconciled to the cash book by the end of the following quarter to which they relate.

6. **Budget Process**

Introduction

6.1 The Director of Finance, Housing and Community shall have overall responsibility for the co-ordination and preparation of the Council's Budget (i.e. Capital & Revenue Projects, General Fund Revenue and Housing Revenue Account Budgets), taking into account the priorities established in the Corporate Plan or otherwise set by Members.

6.2 Each year the Head of Finance will prepare timetables for the preparation, submission and approval of the Medium Term Financial Plan, including the Capital Programme, Treasury Management Strategy and detailed Revenue Budgets.

6.3 All budgets will be prepared in accordance with the Budget and Policy Framework Procedure Rules.

Capital & Special Projects Programme

6.4 "Capital Expenditure" shall be interpreted in accordance with section 16 Local Government Act 2003. In summary capital expenditure relates to:

- Purchase or construction of an asset;
- Enhancement of an asset;
- Grants for capital purposes.

6.5 The Head of Finance will prepare a draft capital programme, which includes all funded and unfunded capital schemes proposed to be undertaken by the Council. The programme will be submitted to Corporate Management Team for consideration and comment. This will subsequently be submitted to the Cabinet as part of the budget report together with the estimate of resources available.

6.6 All one-off expenditure over £10,000 shall be treated as either a capital or special revenue project and requires a project appraisal and approval prior to commencement. The Project Flowchart is detailed on the Intranet.

Prudential Indicators

6.6 The Head of Finance will submit a set of Prudential Indicators for approval as part of the Medium Term Financial Plan.

Medium Term Financial Plan

6.7 In consultation with the Corporate Management Team the Director of Finance, Housing and Community shall prepare recommendations for the Council's budget to be considered by the Cabinet.

6.8 Heads of Service will prepare information needed to produce the Medium Term Financial Plan for each of their services.

- 6.9 A Draft Budget and Medium Term Financial Plan shall be presented to the Cabinet in January/February of each year.

Detailed Revenue Budget

- 6.10 Heads of Service will prepare budget estimates of income, expenditure and recharge apportionments for the next financial year in accordance with the timetable and guidance as specified by the Head of Finance.
- 6.11 The Director of Finance, Housing and Community will report the detailed draft Revenue Budget to Corporate Management Team for consideration and comment. This will subsequently be submitted to the Cabinet as part of the budget report.

Budget Scrutiny Process

- 6.12 The Cabinet's draft budget proposals will be referred to the Scrutiny (Policy and Performance) Committee in January/February each year for examination and consideration.
- 6.13 The Scrutiny (Policy and Performance) Committee shall report to the Cabinet on the outcome of its deliberations before the final budget report is submitted to the Cabinet in March.

Approval of Annual Revenue Budget

- 6.14 The budget will be proposed by the Executive on the advice of the Director of Finance, Housing & Community and approved by the Council. The draft budget should integrate capital and revenue planning and should include allocation to different services and projects, proposed taxation levels, calculated mandatory prudential indicators; contingencies, and use of reserves.
- 6.15 By the 9th March each year the Council shall determine the revenue and capital budgets, prudential indicators and council tax levels for the year beginning on the following 1st April.
- 6.16 Housing rents are determined by the Director of Finance, Housing & Community or the Head of Strategic Housing.

7. Budgetary Control

Introduction

- 7.1 The whole of the organisation is required to operate within the budget (which includes any supplemental expenditure) approved by the Council.
- 7.2 The Cabinet shall recommend to the Council any amendments to budgetary control procedures as part of its budget proposals.

Authority for Incurring Expenditure

Normal Revenue Expenditure

- 7.3 The Chief Executive, Directors, Heads of Service, and their duly Authorised Officers may incur expenditure on items already approved specifically or generally within the Council's budget or capital programme, provided no overspending or under-recovery will occur.
- 7.4 Heads of Service have operational responsibility for the budget and shall manage the budgets at their disposal and be accountable to the Cabinet for performance. Budget resources are to be deployed to deliver agreed service objectives and priorities.

Capital & Special Projects Programme

- 7.5 The inclusion of items in an approved capital programme shall not, in itself, constitute authority to incur such expenditure. Prior to incurring expenditure approval of a project appraisal should be undertaken for each scheme by the appropriate budget manager in a form approved by the Director of Finance, Housing & Community.
- 7.6 Completed projects shall be reported in the quarterly budget monitoring report and post implementation reviews undertaken where considered appropriate by the Director of Finance, Housing & Community.

The Authority to Use Reserves

- 7.7 All applications of and contributions to reserves to fund expenditure will be made in accordance with the approvals of the Budget and Medium Term Financial Plan.

Budget Monitoring

- 7.8 The Director of Finance, Housing and Community is responsible for providing appropriate financial information to enable the budget to be monitored effectively. Heads of Service shall monitor their budgets on a regular and appropriate basis and report any forecast changes through the budget monitoring system or to Accountancy. Significant budget changes will be reported to Corporate Management Team and Members through the Quarterly Budget Monitoring Report and Performance Report.
- 7.9 It is the responsibility of Heads of Service to control income and expenditure within their budgets and to monitor performance. They will take any action necessary to avoid exceeding their budget allocation and report any problems through the budget monitoring process.
- 7.10 Corrective action must be taken to deal with either a forecast or known overspend or to accommodate a new demand that is considered important or unavoidable. Corrective actions may take the form of a re-allocation of budgets (virement), the suspension or deletion of other planned expenditure or the application of reserves.
- 7.11 Where overspendings arise which are not corrected in year the Director of Finance, Housing and Community shall be entitled to recommend to the Cabinet that the overspending be addressed as part of the following year's budget.
- 7.12 An outturn report shall be submitted to the Cabinet by no later than the 30th September each year to include material variances incurred.

Virements

- 7.13 A virement is defined as the reallocation of approved spending authority between heads within the approved budget.
- 7.14 A supplementary estimate is defined as a request for additional financial resource where no provision exists within the current approved budget.
- 7.15 Controls need to be exercised to ensure that expenditure remains within the agreed limits and in accordance with the Council's stated policy objectives. Consequently, virements and any request for supplementary estimates are subject to the authorisation procedures stated below.

Revenue Budget Virements

- 7.16 Revenue budget virements will be subject to the following procedures; and will apply to all revenue budgets including the use of contingency provision and vacancy allowance:
- (i) No virement shall be authorised, where it has significant policy implications by virtue of the amount involved and / or the nature of the virement, without also being agreed with the appropriate Portfolio holder(s).
 - (ii) Other virements may be authorised by:
 - Heads of Service subject to the agreement of the Head of Finance; or
 - Cabinet.
 - (iii) Significant virements will be reported through the quarterly budget monitoring report.
- 7.17 The above regulations shall apply equally to all revenue cost centres. The exception is special revenue schemes, where the capital and special revenue programme virement procedures below apply.

Capital and Special Revenue Programme Virements

- 7.18 Virement between specific elements of an approved project may be made without limit by the Head of Service responsible for the project in consultation with the Head of Finance, provided that the total cost of the project remains unaffected.
- 7.19 Between projects, virements of up to a maximum of £50,000 may be approved by the Director of Finance, Housing & Community. Virements of more than £50,000 must be approved by Cabinet

Capital Receipts

- 7.20 The Director of Finance, Housing & Community will calculate the amount of capital receipts from the sale of HRA assets due to Central Government, under the pooling of capital receipt regulations. The Director of Finance, Housing & Community will ensure that the due amount is paid over to Central Government, within regulatory set deadlines, to avoid penalties.
- 7.21 A capital receipt from the sale of an asset totalling less than £10,000 will be placed in the appropriate revenue account.

Supplementary Estimates

- 7.22 At any time when the totality of additional expenditure, reduced income, or a combination of the two are such that there is projected to be an increase in the net General Fund revenue requirement, a reduction in HRA projected reserves, or an increase in the overall outturn costs of approved projects within the current programme this shall be reported to CMT and Cabinet for consideration of the additional resources or the corrective action required.

Emergency Planning and Business Continuity

- 7.23 The duty director may incur expenditure, whether or not contained within an approved budget, which is essential to meet any needs created by a sudden emergency empowered under section 138 of the Local Government Act 1972. The duty director is required to keep an appropriate record of such expenditure including the amount, the date, the suppliers name, VAT incurred, any payments made and the purpose or reason for the expenditure. Any expenditure that cannot be contained within the revenue budget must be reported to the next Cabinet meeting and onto the next Council meeting for supplementary approval.

Carry Forward of Resources at Year End

- 7.24 Carry over of underspent revenue budgets to the next financial year will be subject to the approval of:
- (i) The Director of Finance, Housing & Community; or
 - (ii) Cabinet.
- 7.25 The budget provision remaining at the end of a financial year for any capital or special revenue project will be automatically carried forward to the following financial year except where the capital or special revenue project is completed and any unspent balance is not required.

Prudential Indicators

- 7.26 The Head of Finance will monitor the Prudential Indicators and report to Governance Committee on a quarterly basis. Any changes will be agreed by Cabinet and Council.

8. Corporate Credit Cards

- 8.1 The Procurement Manager has responsibility for the issue of Corporate Credit Cards. This will only be done on the written request of the appropriate Head of Service. The credit limit will be set by the Procurement Manager.
- 8.2 Corporate Credit Cards may only be used for Council business and in no circumstances used for personal purposes.
- 8.3 Corporate Credit Cards must only be used in accordance with the guidance notes for the use of Credit Cards, issued by the Procurement Manager, available on the Intranet.
- 8.4 All payments made must be supported by the appropriate documentation and properly certified by an Authorised Officer.

8.5 Any misuse of a Corporate Credit Card will result in the card being withdrawn and could lead to disciplinary action.

8.6 Summary details will be covered by the Council's disclosures on transparency.

9. **External Funding**

9.1 External funding is potentially a very important source of income, but funding conditions need to be carefully monitored to ensure they are compatible with the aims and objectives of the Council.

9.2 Heads of Service shall be responsible for preparation of bids for grants, other assistance and subsidies, and the Director of Finance, Housing and Community shall be responsible for their authorisation.

9.3 Heads of Service shall ensure that:

(i) Conditions of funding and any statutory requirements are complied with.

(ii) The responsibilities are clearly understood.

(iii) The project progresses in accordance with the agreed project plan and conditions.

(iv) All expenditure is properly incurred and accounted for.

(v) All claims for funds are made by the due date.

(vi) Future revenue implications are included within the Medium Term Financial Plan.

(vii) Appropriate exit strategies exist.

(viii) That all the necessary records are kept to substantiate claims for audit purposes.

9.4 The Director of Finance, Housing and Community shall ensure that all funding awarded by external bodies is received and properly recorded in the Council's accounts and that all audit requirements are complied with.

10. **Income**

Setting Fees and Charges

10.1 The Director of Finance, Housing and Community, in consultation with Heads of Service, will be responsible for advising the Cabinet on the fixing of fees and charges for services, except for Parking fees and charges, which will be reported by the Director of Environment and Corporate Assets.

10.2 Fees and charges will be reviewed and approved by Cabinet at least annually. Fees and Charges will be adjusted by Heads of Service, in consultation with the relevant Portfolio Holder to comply with any subsequently received government guidelines (when they are received) or other minor changes without being the subject of a further Cabinet approval unless they are materially different from current charges, or have a material impact on the level of income.

Collection of Income Due

- 10.3 The Head of Finance is responsible for paying all monies received into the Council's bank.
- 10.4 Individual Officers shall be responsible for any monies received by them on behalf of the Council. They must follow the procedures for paying in, receipting and accounting which have been agreed between their Head of Service and the Head of Finance.
- 10.5 All receipts, tickets and similar documents or stationery dealing with receipt of monies will be subject to the approval of the Head of Finance.
- 10.6 Every sum received by a Council Officer will be immediately acknowledged by the issue of an official receipt, except for cheques and bank transfers where the Head of Finance may agree other arrangements.
- 10.7 Heads of Service will inform the Head of Finance of all contracts, agreements, grant claims etc. that will result in the Council receiving money. This ensures that the income can be identified when it is received.
- 10.8 All monies received by the Council on behalf of a third party, will be accounted for and paid to that third party without delay, or in accordance with any agreement or instruction by the Head of Finance, after deduction of any amounts due in respect of commission or other allowance due to the Council.
- 10.9 All systems that record income will be reconciled regularly to the Council's financial management system by the end of the following quarter to which they relate.

Invoicing of Income Due

- 10.10 Heads of Service shall be responsible for ensuring that sales ledger invoices are raised promptly for credit income due to the Council in respect of their services.
- 10.11 The Head of Shared Services will maintain the Council's Corporate Debt Recovery Policy and all debt recovery will be carried out in accordance with that policy and related procedures. A copy of the Council's Corporate Debt Recovery Policy is available on the Council's Intranet.
- 10.12 Credit terms for all sundry debts due to the Council shall be 14 days, unless agreed otherwise with the Head of Shared Services.
- 10.13 Details of Officers authorised to cancel and amend sundry debts will be sent to the Procurement Manager, together with specimen signature and authority limits. The Procurement Manager will maintain a register of all such authorised officers and ensure it is available to income staff to authenticate all credit notes and cancellations requested.
- 10.14 Enforcement action for the recovery of debts will only be taken following consultation with the relevant Head of Service.
- 10.15 At the end of each financial year Heads of Service will notify the Head of Finance of all income due before the end of the financial year but not yet invoiced, in accordance with the closure timetable issued.

11. **Insurance**

- 11.1 The Director of Governance will effect all insurance cover and negotiate all claims in consultation with other officers where necessary.
- 11.2 Heads of Service shall promptly notify the Director of Governance or his designated officer in writing of all new risks, properties or vehicles needing to be insured, and of any disposals or alterations affecting existing insurances.
- 11.3 Heads of Service shall notify the Director of Governance or his designated officer in writing of any loss, liability or damage or any event likely to lead to a claim on any Council policy, and shall where appropriate notify the police of the relevant circumstances.

12. **Procurement of Work, Goods and Services**

Official Orders

- 12.1 A purchase order must be raised for all expenditure, except where directed by the Head of Finance.

Goods Receipts

- 12.2 Purchase orders will be goods receipted by the Officer responsible for the services, works or receiving the goods. When an Officer receipts goods, services or works he/she is confirming that the order is correct in all respects and may be paid.

13. **Payment of Invoices**

- 13.1 The Head of Finance is responsible for examining and verifying invoices when they are input into the financial management system. Where an order has been raised and the goods or services receipted by the appropriate authorised officer and the invoice matches the order, payment will be made. Any exceptions will be returned to originating Officers for certification.
- 13.2 Details of Officers authorised to sign such certifications will be sent to the Procurement Manager, together with specimen signatures and authority limits. The Procurement Manager will maintain a register of all Authorised Officers and make it available on the Intranet for checking by appropriate officers.
- 13.3 When certifying an invoice for payment the officer is confirming that the payment is correct in all respects including:
 - (i) The work, goods or services, to which the account relates have been received, carried out, examined and approved.
 - (ii) The prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct and agree with the official order or contract.
 - (iii) The relevant expenditure has been properly incurred and is within the approved budget.
 - (iv) Appropriate entries have been made in inventories, stores records or other records as required,

- (v) The account has not been previously passed for payment and is a proper liability of the Council.
 - (vi) The correct expenditure code has been inserted in respect of each item.
- 13.4 It is the individual Officer's responsibility to make any investigations they deem necessary before giving that certification.
- 13.5 Invoices for payment shall be passed to the Head of Finance without delay. All payments will be processed for immediate payment unless alternative terms are required and explicitly stated. Payment made outside the agreed payment terms may incur statutory interest.
- 13.6 Where an invoice is found to be incorrect, e.g. because of an addition error, the VAT is incorrectly calculated or the invoice is not addressed to the Authority, it should be returned to the supplier with an explanatory note. Handwritten amendments should not be made to an invoice as this may invalidate the recovery of VAT.
- 13.7 Heads of Service will notify the Head of Finance of all outstanding expenditure relating to the previous financial year in regard to goods and services received in that financial year, in accordance with the agreed closure timetable.
14. **Cash Floats**
- 14.1 The issue and use of cash floats will be under the overall control of the Director of Finance, Housing and Community.
- 14.2 Officers responsible for cash floats will give the Director of Finance, Housing and Community an annual certificate for each account balance in accordance with agreed Closure Timetable.
15. **Cabinet and Council Reports**
- 15.1 Report authors will consult with the Finance and Legal teams prior to the production of Cabinet and Council reports in accordance with the report preparation timetables.
- 15.2 All reports will be circulated via the DDC Cabinet Reports mailbox.
- 15.3 The Director of Finance, Housing and Community shall be responsible for advising the Cabinet and Council Committees on the resource implications of reports presented to them.
16. **Retention of Financial Records**
- 16.1 The Director of Finance, Housing and Community and Head of Finance will retain records in accordance with the retention schedules.
- 16.2 The Council has received dispensation from HM Revenues and Customs to hold scanned images in lieu of hard copy documents.
- 16.3 Heads of Service will retain records which substantiate grant claims made by them and any evidence required in connection with likely future claims which may be made by or against the Council.
17. **Salaries, Wages and Members' Allowances**

- 17.1 The Head of Collaborative Services shall be responsible for paying salaries, wages, expenses and other emoluments to Council employees; for making deductions for income tax, national insurance and superannuation and paying these to the relevant authorities and for maintaining the necessary records.
- 17.2 The process for submitting timesheets and expenses claims is detailed in the Employee Handbook.
- 17.3 Heads of Service will notify the Head of Collaborative Services immediately of all appointments, resignations, or other events affecting terms of employment or pay, including all sick absences, honorariums, accidents on or off duty, or special leave without pay.
- 17.4 Heads of Service will follow the Job Evaluation process detailed on the Intranet for new or changed posts.
- 17.5 The Head of Collaborative Services will make payments to any Member entitled to claim allowances in accordance with the Council's scheme for allowances.

18. **Stock Accounting arrangements**

- 18.1 Heads of Service shall be responsible for the secure custody of any stocks held within their services and for the recording, issuing and accounting arrangements.
- 18.2 Stocktaking should take place at the end of each financial year and at other times if the Head of Service or Internal Audit deems it appropriate. A signed stock certificate as at the 31st March each year will be provided to the Head of Finance in accordance with the agreed closure timetable issued.
- 18.3 Volumes of stock held will not exceed reasonable requirements and will be reviewed periodically by each Head of Service or duly Authorised Officer concerned.

19. **Taxation**

- 19.1 Tax issues are very complex and the penalties for incorrectly accounting for tax are severe. It is important for all Officers to be aware of their roles and responsibilities so if in doubt, Heads of Service should consult the Director of Finance, Housing and Community or Head of EK Human Resources for advice.
- 19.2 The council has access to external advisory services that should be used, in consultation with the Director of Finance, Housing and Community, to advise on the tax implications of council activities.

Construction Industry Taxation Scheme

- 19.3 The Director of Finance, Housing and Community is responsible for maintaining all records, making all deductions and returns as required by HM Revenues and Customs under the Construction Industry Taxation Scheme.
- 19.4 Heads of Service are responsible for ensuring that tax liabilities and returns can be correctly completed by:
 - (i) Ensuring that orders/contracts for works of a building maintenance or construction nature (as defined under the Construction Industry Scheme) are

only placed with contractors who hold and have supplied a current and valid card or certificate entitling them to be paid for works of this type under this scheme; and

- (ii) Correctly identifying the value of labour subject to tax on any invoice where a tax deduction is necessary.

Value Added Tax (VAT)

- 19.5 The Director of Finance, Housing and Community is responsible for maintaining all records, accounts and claims as directed by the Value Added Tax Act 1983 (as amended).
- 19.6 The Director of Finance, Housing and Community will take responsible steps to ensure that the payment documentation provided by all suppliers of goods, works or services conforms to the requirements of a proper VAT invoice.
- 19.7 Each Officer responsible for raising invoices on behalf of the Council will ensure within reason that the Council has complied with the relevant VAT legislation regarding the supply of its services.
- 19.8 For services where VAT supplies are classified as Exempt under VAT regulations, Officers will ensure that all activities are fully evaluated for VAT purposes and any tax implications are identified before any expenditure is committed or contractual arrangements made.
- 19.9 The Director of Finance, Housing and Community will prepare monthly VAT returns and the annual VAT partial exemption.

Income Tax and National Insurance

- 19.10 The Head of Collaborative Services is responsible for ensuring that liabilities to account for Income Tax and National Insurance can be correctly and accurately accounted for within the Council's Accounts in accordance with HM Revenues and Customs and Contributions Agency Regulations. This will include:
 - (i) Ensuring that all payments to staff are made via the Council's payroll system;
 - (ii) Ensuring that any taxable benefits arising from payments made/ benefits in kind supplied to and on behalf of staff is notified to the Head of Collaborative Services for inclusion on P11D and similar returns;
 - (iii) Ensuring that all persons employed by the Authority are added to the Council's payroll;
 - (iv) Confirming that suppliers of labour other than employees (e.g. consultants) are not liable to deduction of Income Tax and National Insurance as if they were an employee, i.e. by obtaining evidence of Schedule D employment or CIS status and checking their employment status using the HMRC tool.

20. Treasury Management

- 20.1 This Council has adopted CIPFA's Code for Treasury Management in Local Authorities.

- 20.2 The code requires that the Council shall determine a Treasury Management Strategy setting out its strategy and procedures for Treasury Management and set the Council's Prudential Indicators. The policy shall be reviewed once a year and adopted by full Council as part of the Medium Term Financial Plan.
- 20.3 All money in the Council's possession shall be aggregated for Treasury Management purposes under the overall control of the Director of Finance, Housing & Community.
- 20.4 Day to day decisions on borrowing, investment (including the review of the list of the Council's current short and long term investment counterparties, with particular reference to their credit rating) and financing, including use of Capital Receipts, Reserves and Leasing are delegated from the Council to the Director of Finance, Housing and Community (or through him to his Officers) within the agreed Treasury Management Strategy and Medium Term Financial Plan.
- 20.5 The Director of Finance, Housing and Community will make all investment of Council's funds in the name of the Council, unless otherwise approved in the Treasury Management Strategy. All investments will be in accordance with the statutory framework and the approved Treasury Management Strategy.
- 20.6 All loans to the Council will be negotiated the by the Director of Finance, Housing and Community and paid direct by the lender or his agent into the Council's bank account.
- 20.7 The Director of Finance, Housing and Community is authorised to borrow temporarily pending receipts of money from Business Rates, Loans, Council Tax, Government Grants and other income properly due to the Council, within the limit agreed by the Council each year.
- 20.8 The Director of Finance, Housing and Community will report to the Cabinet not less than once each financial year and quarterly to the Governance Committee on the activities of the Treasury Management operation, and on the exercise of Treasury Management powers delegated to them.

21. **Write-Offs of Income, Stocks, Furniture and Equipment**

Debts

- 21.1 The Director of Finance, Housing and Community shall approve the procedures for the write-off of debts or other sum owing to the Council which is deemed irrecoverable or uneconomic to pursue.
- 21.2 Debt reports, including levels of write off, shall be presented to the Governance Committee on an annual basis after the financial year end.
- 21.3 The Director of Finance, Housing and Community shall make the appropriate entries in the accounting records in respect of write-offs in accordance with proper accounting practice.

Goods, Materials, Vehicles and Stocks

- 21.4 The Director of Finance, Housing and Community may write off the following:
- (i) Damaged or stolen goods;
 - (ii) Surplus goods and materials;

- (iii) Goods, vehicles or materials that are considered to have no material value due to deterioration or obsolescence.
- 21.5 Heads of Service shall forward details of any item under above that they consider should be written off within their Division to the Director of Finance Housing and Community for approval together with:
 - (i) Details of the item to be written off;
 - (ii) The circumstances necessitating the write-off.
- 21.6 The Director of Finance, Housing and Community will make the appropriate entries for write-offs in the accounting records in accordance with proper accounting practice.

APPENDIX 2

Budget and Policy Framework Procedure Rules

1. The framework for executive decisions

The Council will be responsible for the adoption of its Budget and Policy Framework as set out in Article 4. Once a Budget or a Policy Framework is in place, it will be the responsibility of the executive to implement it.

2. Process for developing the framework

Subject to paragraph (i) below, the process by which the budget and policy framework shall be developed is:

- a) By the end of February, the executive will have consulted on its budget proposals as it considers appropriate and approve the draft Budget and Medium Term Financial Plan.
- b) The Scrutiny (Policy & Performance) Committee shall determine whether it wishes to scrutinise the draft Budget and Medium Term Financial Plan. The Scrutiny (Policy & Performance) Committee shall report to the executive the outcome of its deliberations in sufficient time for the executive to consider the views of Scrutiny (Policy and Performance), make its recommendations to Council and for Council to meet and set the budget and Council tax before 11 March.
- c) Having considered the report of the Scrutiny (Policy & Performance) Committee, the executive, if it considers it appropriate, may amend its proposals before submitting them to a council meeting prior to 11 March for consideration and adoption. It will also report to Council on how it has taken into account any recommendations from the overview and scrutiny committee.
- d) The Council will consider the proposals of the executive and may adopt them, amend them, refer them back to the executive for further consideration, or substitute its own proposals in their place. In considering the matter, the Council shall have before it the executive's proposals and any report from any relevant Scrutiny (Policy & Performance) Committee having regard to the requirement for the Council to set the council tax before 11 March. The council tax levy requires receipt of precepts from precepting authorities and will be submitted to the council meeting.
- e) If the Leader objects to the decision of the Council, he/she shall give written notice to the proper officer to that effect during the first working day after the Council's decision. The written notification must state the reasons for the objection. Where such notification is received, the proper officer shall convene a further meeting of the Council to reconsider its decision and the decision shall not be effective pending that meeting.
- f) The Council meeting must take place within 7 working days of the receipt of the Leader's written objection. At that council meeting, the decision of the Council shall be reconsidered in the light of the objection, which shall be available in writing for the Council.

- g) The Council shall at that meeting make its final decision on the matter.
- h) The policy on virements is set out in Financial Procedure Rules. Any other changes to the budget and policy framework, i.e. significant net increases in the General Fund, Housing Revenue Account, or Capital projects, are reserved to the Council.
- i) Any of the time periods set out within the process for developing the Budget and Policy Framework contained herein may be varied by agreement between the Executive and the Scrutiny (Policy and Performance) Committee provided that proper regard is had to allowing a reasonable period of time at each stage.

3. 3. Decisions outside the budget or policy framework

- a) Subject to the provisions of virements the executive, committees of the executive, individual members of the executive and any officers, area committees or joint arrangements discharging executive functions may only take decisions which are in line with the budget and policy framework. If any of these bodies or persons wishes to make a decision which is contrary to the policy framework, or contrary to or not wholly in accordance with the Budget approved by full Council, then that decision may only be taken by the Council, subject to 4 below.
- b) If the executive, committees of the executive, individual members of the executive and any officers, area committees or joint arrangements discharging executive functions want to make such a decision, they shall take advice from the monitoring officer and/or the chief financial officer as to whether the decision they want to make would be contrary to the policy framework, or contrary to or not wholly in accordance with the budget. If the advice of either of those officers is that the decision would not be in line with the existing Budget and/or Policy Framework, then the decision must be referred by that body or person to the Council for decision, unless the decision is a matter of urgency, in which case the provisions in paragraph 4 (urgent decisions outside the Budget and Policy Framework) shall apply.
- c) Changes to income and expenditure contained within the approved budgets do not constitute a departure from the budget and policy framework provided they are contained within the overall approved resource envelope.

4. Urgent decisions outside the Budget or Policy Framework

- a) The executive, a committee of the executive, an individual member of the executive or officers, area committees or joint arrangements discharging executive functions may take a decision which is contrary to the Council's Policy Framework or contrary to or not wholly in accordance with the budget approved by full Council if the decision is a matter of urgency. However, the decision may only be taken:
 - i. If it is not practical to convene a quorate meeting of the full Council; and
 - ii. If the chair of Scrutiny (Policy & Performance) Committee agrees that the decision is a matter of urgency.

- b) The reasons why it is not practical to convene a quorate meeting of full Council and the chair of Scrutiny (Policy & Performance) Committee's consent to the decision being taken as a matter of urgency must be noted on the record of the decision. In the absence of the chair of Scrutiny (Policy & Performance) Committee the consent of the chairman of the Council and in the absence of both the vice-chairman of the Council will be sufficient.
- c) Following the decision, the decision taker will provide a full report to the next available Council meeting explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.

5. In-year changes to Policy Framework

The responsibility for agreeing the Budget and Policy Framework lies with the Council, and decisions by the executive, a committee of the executive, an individual member of the executive or officers, area committees or joint arrangements discharging executive functions must be in line with it.

6. Call-in of decisions outside the Budget or Policy Framework

- a) Where Scrutiny (Policy & Performance) Committee is of the opinion that an executive decision is, or if made would be, contrary to the Policy Framework, or contrary to or not wholly in accordance with the Council's budget, then it shall seek advice from the monitoring officer and/or chief financial officer.
- b) In respect of functions which are the responsibility of the executive, the monitoring officer's report and/or chief financial officer's report shall be to the executive with a copy to every member of the Council. Regardless of whether the decision is delegated or not, the executive must meet to decide what action to take in respect of the monitoring officer's report and to prepare a report to Council in the event that the monitoring officer or the chief financial officer conclude that the decision was a departure, and to the Scrutiny (Policy & Performance) Committee if the monitoring officer or the chief financial officer conclude that the decision was not a departure.
- c) If the decision has yet to be made, or has been made but not yet implemented, and the advice from the monitoring officer and/or the chief financial officer is that the decision is or would be contrary to the Policy Framework or contrary to or not wholly in accordance with the budget, the Scrutiny (Policy & Performance) Committee may refer the matter to Council. In such cases, no further action will be taken in respect of the decision or its implementation until the Council has met and considered the matter. The Council shall meet within 10 days of the request by the Scrutiny (Policy & Performance) Committee. At the meeting it will receive a report of the decision or proposals and the advice of the monitoring officer and/or the chief financial officer. The Council may either:
 - i. Endorse a decision or proposal of the executive decision taker as falling within the existing Budget and Policy Framework. In this case no further action is required, save that the decision of the Council be minuted and circulated to all councillors in the normal way; *or*
 - ii. Amend the Council's financial regulations or policy concerned to encompass the decision or proposal of the body or individual responsible for that execution function and agree to the decision with immediate effect. In this

case, no further action is required save that the decision of the Council be minuted and circulated to all councillors in the normal way; or

- iii. Where the Council accepts that the decision or proposal is contrary to the Policy Framework or contrary to or not wholly in accordance with the Budget, and does not amend the existing framework to accommodate it, require the executive to reconsider the matter in accordance with the advice of either the monitoring officer/chief financial officer.

References: Chapter 2, DETR Guidance

The Local Authorities (Functions and Responsibilities) (England) Regulations 2000