

# Public Document Pack



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19 June 2019

Dear Councillor

NOTICE IS HEREBY GIVEN THAT a meeting of the **GOVERNANCE COMMITTEE** will be held in the HMS Brave Room - Dover District Council offices on Thursday 27 June 2019 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 [democraticservices@dover.gov.uk](mailto:democraticservices@dover.gov.uk).

Yours sincerely

Chief Executive

## Governance Committee Membership:

D Hannent(Chairman)  
S S Chandler  
J P Haste  
J Rose  
C A Vinson (Vice-Chairman)  
P Walker  
C F Woodgate

## 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 3)

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

4 **MINUTES** (Pages 4 - 6)

To confirm the attached Minutes of the meeting of the Committee held on 14 March 2019.

5 **QUARTERLY INTERNAL AUDIT UPDATE REPORT** (Pages 7 - 27)

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

6 **ANNUAL INTERNAL AUDIT REPORT** (Pages 28 - 44)

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

7 **2018/19 ANNUAL GOVERNANCE ASSURANCE STATEMENT** (Pages 45 - 65)

To consider the attached report of the Head of Governance.

8 **REVIEW OF COMMITTEE ARRANGEMENTS**

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

**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](http://www.dover.gov.uk). Minutes will be published on our website as soon as practicably possible after 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: [democraticservices@dover.gov.uk](mailto:democraticservices@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, 14 March 2019 at 6.00 pm.

Present:

Chairman: Councillor P G Heath

Councillors: B W Butcher  
M I Cosin  
B Gardner  
D Hannent

Officers: Director of Governance  
Strategic Director (Corporate Resources)  
Head of Governance  
Head of Audit Partnership (East Kent Audit Partnership)  
Deputy Head of Audit Partnership (East Kent Audit Partnership)  
Accountant (Capital and Treasury)  
Engagement Lead - Grant Thornton  
Democratic Services Officer

39 APOLOGIES

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

40 APPOINTMENT OF SUBSTITUTE MEMBERS

It was noted that, in accordance with Council Procedure Rule 4, Councillor B Gardner was in attendance.

41 DECLARATIONS OF INTEREST

There were no declarations of interest made by Members.

42 MINUTES

The Minutes of the meeting of the Committee held on 13 December 2018 were approved as a correct record and signed by the Chairman.

43 TREASURY MANAGEMENT QUARTER THREE REPORT 2018/19

The Strategic Director (Corporate Resources) presented the Treasury Management Quarter Three 2018/19 report to the Committee.

Members were provided with the headlines from the report. The Council's investment return for the period had outperformed the benchmark by 1.40%. The projected investment return for 2018/19 was £1,254k, £255k better than the original budget estimate of £999k. This improvement was due to additional funds being invested in pooled investment funds.

The Council had repurchased its Lender Option Borrower Option (LOBO) loan from KA Finanz creating a saving of £30-40k per annum in interest rates, having previously been held at an interest rate of 4.75% with 25 years remaining on the loan.

RESOLVED: That the report be received and noted.

44 QUARTERLY INTERNAL AUDIT UPDATE REPORT

The Deputy Head of Audit Partnership (East Kent Audit Partnership) introduced the Quarterly Internal Update report to the Committee.

There had been five internal audit reports undertaken during the period for which two received substantial assurance, one limited and two for which an assurance level was not applicable. Seven follow-up reviews were completed with none having received below reasonable assurance after follow-up.

Members discussed Tenancy Fraud and Right to Buy Fraud and the findings which gave rise to the limited assurance. There was a lack of skilled fraud investigative resources and further commitment by the four partner Councils was required to take preventative action and enforcement against tenancy and right to buy fraud. The Strategic Director (Corporate Resources) advised that Ashford Borough Council had achieved success in investigating such fraud. The Head of Audit commented on the findings from Ashford Borough Council's investigations and reported that as a result of intelligence led checks of applicants, within three years, 52% of right-to-buy applications were withdrawn.

The recommendations of the Anti-Fraud and Corruption Mapping report had also been accepted and Ashford Borough Council had agreed to submit a proposal to run a campaign along with the four partner councils in East Kent as a pilot. If this was successfully agreed, the results would be reported to this committee.

RESOLVED: That the report be noted.

45 DRAFT INTERNAL AUDIT PLAN 2019/20

The Head of Audit Partnership presented the proposed Internal Audit Plan for 2019/20 which provided a breakdown of audits and an analysis of available days for the forthcoming 12 months.

The top ten national risks had been considered, as well as the corporate risks facing the council; topics contributing towards reviewing these risks were each considered and included in the plan where required.

Assurances were received from several sources as well as Internal Audit and the committee was presented with a report that considered all the resources available and a risk based approach to prioritising the audits that would be carried out in 2019/20. As part of the presentation the Head of Internal Audit had benchmarked the level of resources to assist members to determine whether they would receive adequate assurances from their coverage. It was stated in the report that the draft plan was less well-resourced than the Kent average and that the overall audit opinion at the end of the year would be limited to commenting on the systems of internal control that had been reviewed in that year. The presentation concluded that planned resources would allow for an opinion to be given on the Council's key risk areas and systems and were sufficient to inform the Annual Governance Assurance Statement.

RESOLVED: That the Council's Internal Audit Plan for 2019/20 be approved subject to it being recommended to Cabinet that additional resources be allocated to the Council's 2019/20 Internal Audit Plan

at cost of £15,000 per annum to bring the plan up to the Kent average.

46 CERTIFICATION LETTER 2017/18

The Engagement Lead - Grant Thornton presented the Certification Letter 2017/18 to the Committee, which was required to certify the Housing Benefit Subsidy Claim submitted by Dover District Council. The certification work had identified several issues and as a result the claim was qualified although no additional fee would be raised.

RESOLVED: That the Certification Letter 2017/18 be noted.

47 EXTERNAL AUDIT PLAN

The Engagement Lead – Grant Thornton presented the external audit plan to the Committee. Members were presented with the headlines from the report which were: three significant risks (management over-rule of controls, valuation of property, plant and equipment, and valuation of the net pension fund liability); materiality had slightly decreased, equating to 2% of the prior year gross expenditure for the year; and risk assessments regarding arrangements to secure value for money (VFM) had identified two VFM significant risks (budget position and medium term financial planning, and Brexit).

The Strategic Director (Corporate Resources) advised that the council's business continuity plans had been assessed and re-worked in preparation for Brexit. The Council had received £35,000 extra funding from central government and an additional £180,000 for being a port authority, although the estimated cost of Brexit was £2-3 million, for which a claim would be made.

RESOLVED: That the report be noted.

The meeting ended at 6.30 pm.

|                               |  |
|-------------------------------|--|
| <b>Subject:</b>               | <b>QUARTERLY INTERNAL AUDIT UPDATE REPORT</b>  |
| <b>Meeting and Date:</b>      | <b>Governance Committee – 27<sup>th</sup> June 2019</b>  |
| <b>Report of:</b>             | <b>Christine Parker – Head of Audit Partnership</b>  |
| <b>Decision Type:</b>         | <b>Non-key</b>   |
| <b>Classification:</b>        | <b>Unrestricted</b>  |
| <b>Purpose of the report:</b> | 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 31 <sup>st</sup> May 2019 |
| <b>Recommendation:</b>        | 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 six internal audit assignments completed during the period, which are summarised in the table in section 2 of the report.
- 2.8 In addition seven follow-up reviews have been completed during the period, which is detailed in section 3 of the quarterly update report.
- 2.9 For the two month period to 31<sup>st</sup> May 2019, 30.27 chargeable days were delivered against the revised target of 250.41, which equates to 12.09% 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 2019-20 - Previously presented to and approved at the 14<sup>th</sup> March 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 30<sup>th</sup> April 2019.

**2. SUMMARY OF REPORTS:**

| Service / Topic |  | Assurance level | No. of Recs.     |                   |
|-----------------|--|-----------------|------------------|-------------------|
| 2.1             | Food Safety  | Substantial     | C<br>H<br>M<br>L | 0<br>0<br>0<br>0  |
| 2.2             | EKS Debtor accounts  | Substantial     | C<br>H<br>M<br>L | 0<br>0<br>0<br>1  |
| 2.3             | EKHR Absence Management  | Reasonable      | C<br>H<br>M<br>L | 0<br>0<br>4<br>0  |
| 2.4             | Bank Reconciliation  | Reasonable      | C<br>H<br>M<br>L | 0<br>1<br>1<br>1  |
| 2.5             | Data Protection  | Limited         | C<br>H<br>M<br>L | 6<br>10<br>6<br>4 |
| 2.6             | EKS – Housing Benefit Quarterly Testing – Quarters 3 and 4 2018/19 | Not Applicable  | C<br>H<br>M<br>L | 0<br>0<br>0<br>0  |

**2.1 Food Safety – Substantial Assurance**

**2.1.1 Audit Scope**

To provide assurance on the adequacy and effectiveness of the procedures and controls established to reduce the incidence of food poisoning within the district

through effective registration and inspection of all food businesses, investigation of food complaints, enforcement of the Food Safety and Hygiene (England) Regulations 2013 and associated legislation and offering advice and guidance.

### 2.1.2 Summary of Findings

The Council has a statutory duty to provide an effective food safety service which meets the requirements of the Food Standards Agency (FSA). Functions are carried out by authorised officers within the Public Protection Team under the provision of the Food Safety Act 1990 and the Food Safety & Hygiene (England) Regulations 2013.

The Council is currently responsible for registering all food businesses and, although there is no legal requirement to proactively investigate unregistered businesses, the Public Protection Team is watchful for any evidence of new businesses and also reviews social media and newspapers.

The number of establishments within the district at 31 March 2018, categorised by risk rating (where A is the highest risk and E is the lowest risk) can be seen below:

| <b>Risk Rating</b> | <b>Number of premises</b> |
|--------------------|---------------------------|
| A                  | 7                         |
| B                  | 39                        |
| C                  | 214                       |
| D                  | 449                       |
| E                  | 479                       |
| U (unrated)        | 198                       |
| <b>TOTAL</b>       | <b>1386</b>               |

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

- The Council follows the food law code of practice and is governed by the Food Standards Agency (FSA); it has a service plan which is reviewed bi-annually and many procedure documents which are regularly reviewed to reflect changes in legislation;
- An inspection programme is generated automatically based on previous inspection dates entered into the M3 system;
- Inspection reports, enforcement action and supporting evidence has been satisfactorily recorded and documented in M3 for all cases within the testing sample; and
- The Council appropriately resolved all complaints within the testing sample.

## **2.2 EKS Debtors Accounts – Substantial Assurance**

### 2.2.1 Audit Scope

To ensure that the processes and procedures used by CIVICA UK are sufficient to provide the level of service required by the partner Councils and incorporate relevant internal controls regarding debtors.

### 2.2.2 Summary of Findings

The recovery of Sundry Debts is covered by the Local Government Act 1972, the Accounts and Audit Regulations 2011, The Harbours Act 1964 and the Late Payment of Commercial Debts Regulations 2002. Sundry debts relate to all monies owed to Local Authorities other than Council Tax, Business Rates and Housing Benefit overpayments. The collection of sundry debts has been outsourced to CIVICA.

Management can place Substantial Assurance on the system of internal controls in operation. This audit review has focused on the role carried out by CIVICA UK and not the elements of the debtors process carried out by Officers at Dover District Council.

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

- Established processes are in place for the sundry debtor process carried out by the Corporate Income Team within CIVICA.
- Performance is regularly and accurately reported by CIVICA to the partner Councils.
- Credit notes are not used to cancel debts where collection methods have been unsuccessful.
- Debts are only written off after all available recovery methods have been exhausted.

Scope for improvement was identified around procedures for obtaining approval of credit notes, this was raised with CIVICA staff during the audit and positive action has already commenced to make improvements to the credit note approvals process.

## **2.3 EKHR Absence Management – Reasonable Assurance:**

### 2.3.1 Audit Scope

To provide assurance that staff absences are valid and authorised by management either in advance or in the case of sickness immediately after the event. To ensure that staff resources are adequately controlled and managed.

### 2.3.2 Summary of Findings

Dover District Council, Canterbury City Council and Thanet District Council (including EK Services) are committed to delivering excellent local services and recognise that this can only be achieved through our employees. They want a healthy, flexible workforce that is capable of responding to the changes and challenges facing local government.

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

- Established EKHR monthly processes are in place for processing sickness absences through the payroll and also for the calculating of annual leave records for each employee.
- Supporting policies and procedures are in place to support managers and employees in monitoring and recording of annual leave, sickness and flexi time.
- Managers across each council and EKS are monitoring flexi records of employees on a regular basis. The assurance for this has been taken from questionnaire responses (from a sample of 35 employees) as there are several time recording systems (Both electronic and paper) in place.

- Managers are also recording sickness and approving annual leave on East Kent People in accordance with policies and procedures.

Scope for improvement was identified in the following areas:

- As part of the annual review of the service level agreement EKHR should review and update the documentation to ensure that it reflects the changes in reporting processes and service provision for absence management following on from the manager's dashboard being released.
- Dover and Thanet District Councils may wish to consider including the actions to be carried out in relation to absence frequency and the periods of time in the Addendum to the Absence Management Procedure so that managers and employees are fully aware of the actions that will need to be carried out for each of the trigger points and that they can be consistently applied.
- Managers should be reminded of the need to ensure that they are recording the actions that relate to the trigger points for sickness absences.

## **2.4 Bank Reconciliation – 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 bank reconciliation is calculated correctly.
- There is an effective and efficient evaluation and approval procedure for capital projects and robust financial procedures to enable sufficient budgetary provision to be made available for their funding.

### **2.4.2 Summary of Findings**

The Council operates with four different bank accounts each of which is used for specific functions (i.e. general bank account, account used for making housing benefit payments, and the main investment accounts etc.). The Council operates with two systems (AIM and eFinancials) which are used as the cashbook and main accountancy system respectively.

The objectives of the Bank Reconciliation are:

- To ensure that the amount of cash reported on the Council's balance sheet and the balance in the general ledger cash account is correct.
- To detect any accountancy errors, duplicate receipts and other double entry cash anomalies.
- Increased control in terms of segregation of duties and increased control over cash and bank balance monitoring.

Management can place Reasonable Assurance on the system of internal controls in operation, although there is some evidence of non-compliance with some of the key controls not operating as intended resulting in a risk to the achievement of the system objectives which is a cause for concern.

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

- Up to date documented procedures are in place and being followed.
- Feeder system data is accurately being interfaced and recorded.

Scope for improvement was identified in the following areas:

- Full use of available system automation is not being made.
- A high volume of transactions remain unmatched and are being carried over, often over numerous months, the oldest of these is now in breach of FPRs.
- Bank reconciliation statements are not being signed off by the responsible officer or reviewed by a senior officer.

## **2.5 Data Protection – Limited Assurance:**

### **2.5.1 Audit Scope**

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council creates, holds, and maintains personal information about living individuals in accordance with the requirements of the GDPR and deals with subject access requests and information sharing requests in accordance with the Act.

### **2.5.2 Summary of Findings**

The General Data Protection Regulation (GDPR) (EU) 2016/679 is a regulation in EU law on data protection and privacy for all individuals within the European Union (EU) and the European Economic Area (EEA) which came into effect on 25<sup>th</sup> May 2018. The GDPR aims primarily to give control to citizens and residents over their personal data and to simplify the regulatory environment. It is widely acknowledged that the majority of risk lies with people, process, systems, contracts and governance.

This audit focused on compliance with GDPR and the mechanisms in place to manage the keys risks to the Council. According to research carried out within the UK as at September 2018 approximately 20% of organisations were compliant with GDPR, 53% were in the implementation phase and 27% had not started their implementation.

Management can place Limited Assurance that the Council is compliant with GDPR and the Data Protection Act 2018.

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

- The Council is working towards full compliance with GDPR;
- Contractors engaged by the Council need to have their contracts varied to include GDPR responsibilities;
- There is a need for a consistent and more effective approach to staff training;
- Some Privacy Notices and Retention Schedules were missing from the website;
- There are areas of the Council where there is a lack of GDPR training, privacy notices and retention schedules;

- There is a need to re-format and revisit the Information Asset Register to ensure the personal data being collated is identified, categorised, risk assessed, is accurate and up to date.

Effective control was however evidenced in the following areas:

- The culture within the organisation is positive towards GDPR implementation;
- The data breach processes are working effectively;
- The data protection policy is good although further clarity is required on specific roles and responsibilities across the organisation;
- The CIGG (Corporate Information Governance Group) is encouraging joint working and collaboration between partnering authorities experiencing the same issues;
- IT Security measures are adequately sufficient to reduce the risk of hacking;
- Consent processes are working effectively; and
- Processes in place for Subject Access Requests are working effectively.

**2.6 EKS Housing Benefits Quarterly Testing Quarters 3 & 2018/19 – an assurance is not applicable for this work**

#### 2.6.1 Introduction

Over the course of 2018/19 financial year the East Kent Audit Partnership will complete a sample check of Council Tax, Rent Allowance and Rent Rebate and Local Housing Allowance benefit claims.

#### 2.6.2 Findings

For the quarters three and four of 2018/19 financial year (October 2018 to March 2019) 40 claims including new and change of circumstances of each benefit type were selected by randomly selecting the various claims for verification.

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

#### 2.6.3 Audit Conclusion

For this period forty benefit claims were checked and none of the claims had any financial errors and there were 2 (5%) data quality errors.

For 2018/19 a total of eighty benefit claims have been checked of which none had a financial error that impacted on the benefit calculation and 2 (2.5%) had a data quality error.

### 3.0 **FOLLOW UP OF AUDIT REPORT ACTION PLANS:**

- 3.1 As part of the period's work, seven 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)             | Project Management                      | Reasonable               | Reasonable               | C                       | 0 | C                      | 0  |
|                |   |                          |                          | H                       | 1 | H                      | 0  |
|                |   |                          |                          | M                       | 0 | M                      | 0  |
|                |   |                          |                          | L                       | 0 | L                      | 0  |
| b)             | Grounds Maintenance                     | Reasonable               | Reasonable               | C                       | 0 | C                      | 0  |
|                |   |                          |                          | H                       | 2 | H                      | 0  |
|                |   |                          |                          | M                       | 3 | M                      | 1  |
|                |   |                          |                          | L                       | 1 | L                      | 0  |
| c)             | Service Contract Monitoring             | Reasonable               | Reasonable               | C                       | 0 | C                      | 0  |
|                |   |                          |                          | H                       | 1 | H                      | 1  |
|                |   |                          |                          | M                       | 4 | M                      | 4  |
|                |   |                          |                          | L                       | 1 | L                      | 0  |
| d)             | East Kent Housing – Contract Management | Limited                  | Reasonable / Limited     | C                       | 3 | C                      | 1* |
|                |   |                          |                          | H                       | 5 | H                      | 2* |
|                |   |                          |                          | M                       | 0 | M                      | 0  |
|                |   |                          |                          | L                       | 0 | L                      | 0  |
| e)             | EKS ICT Software Licensing              | Reasonable               | Reasonable               | C                       | 0 | C                      | 0  |
|                |   |                          |                          | H                       | 2 | H                      | 0  |
|                |   |                          |                          | M                       | 6 | M                      | 3  |
|                |   |                          |                          | L                       | 0 | L                      | 0  |
| f)             | EKHR Apprenticeships                    | Substantial / Reasonable | Substantial / Reasonable | C                       | 0 | C                      | 0  |
|                |   |                          |                          | H                       | 2 | H                      | 0  |
|                |   |                          |                          | M                       | 5 | M                      | 0  |
|                |   |                          |                          | L                       | 1 | L                      | 0  |
| g)             | EKHR Allowances & Expenses              | Substantial / Reasonable | Substantial / Reasonable | C                       | 0 | C                      | 0  |
|                |   |                          |                          | H                       | 0 | H                      | 0  |
|                |   |                          |                          | M                       | 3 | M                      | 2  |
|                |   |                          |                          | L                       | 2 | L                      | 1  |

\* Partially outstanding

- 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 the assurance for the Contract Management review is partially limited at the time of follow up, a management response has been included within this report.

## Management Response to Contract Management

Management recognises that 'Limited Assurance' has been placed upon the Gas Servicing and Heating Installations audit and Audit Committee members are reminded of the previous reports detailing the challenges of these contracts and the management of them. The ability of EKH and the Client Councils to resolve a number of the partially outstanding matters will be influenced by the decision of the contractor to bring the contracts to an end and we continue to seek resolution as part of the final account process in collaboration with the Client Councils and contractor.

### ***East Kent Housing - Director of Property Services***

#### **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: Housing Repairs & Maintenance, Welfare Reform, Tenant Health & Safety, Community Safety, Printing, Postage & Photocopying, Waste Management & Street Cleansing, Risk Management, and Building Control.

#### **5.0 CHANGES TO THE AGREED AUDIT PLAN:**

- 5.1 The 2019-20 Audit plan was agreed by Members at the meeting of this Committee on 14<sup>th</sup> March 2019.
- 5.2 The Head of the Audit Partnership meets on a quarterly basis with the Strategic Director (Corporate Resources) - 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 two month period to 31<sup>st</sup> May 2019, 30.27 chargeable days were delivered against the revised target of 250.41, which equates to 12.09% 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 <sup>st</sup> May 2019 against the agreed 2019/20 Audit Plan.                     |
| Annex 4 | Balanced Scorecard of performance indicators to 31 <sup>st</sup> March 2019 – See Annual Report. |
| Annex 5 | 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>Service Contract Monitoring – April 2019</i>  |   |   |
| Consider setting a basic management procedure to highlight current working practices, with a view to improving the way in which contract monitoring is undertaken across the authority. This should be documented and implemented via procedure / guidance notes. This will ensure all contract matters (performance management, contract variations, deductions, retentions etc.) can be confidently applied and documented to provide an audit trail | <p>Contract management guidance and procedure to be implemented as part of revised Procurement Guide.</p> <p><b>Proposed Completion Date:</b> August 2018</p> <p><b>Responsibility:</b> Procurement Manager</p>   | <p>To discuss with Head of Finance April 19</p> <p><b>Outstanding</b></p>   |
| <i>East Kent Housing – Contract Management (May 2019):</i>   |   |   |
| Ensure that all legal requirements for heating installations are met including that the correct documentation is received and checked for accuracy before approving payment for the work.  | <p>a. Contracts Manager/Surveyor performance expectations and guidance notes</p> <p>b. Contracts Manager/Surveyor to read, understand and follow contract requirements</p> <p><b>Proposed Completion Date</b></p> <p>a – Ongoing</p> <p>b - Completed</p> | The outstanding documentation for 17/18 installations was to be collated and provided as part of an ongoing piece of work as part of the annual LGSR programme to reduce the number of visits to each property. This has recently been reviewed by EKH as a result of the |

## 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.   |
|---|--|---|
|   | <b>Responsibility</b><br>Contracts Performance Manager   | contractor serving notice to bring the contracts to an end and it is intended to set-off such sums as necessary to regularise this position.<br><br><b>Partially Outstanding.</b>   |
| Commitment orders must be correctly placed on the system so that each council can manage their budgets effectively, and to prevent late invoices hitting quarter 4 causing an overspend.  | a. Understand Client Council financial requirements and provide training to Client Council finance teams<br>b. Contracts Manager/Surveyor to adhere to financial controls and requirements<br>c. Contracts Manager/Surveyor to provide accurate cashflow forecasting<br><b>Proposed Completion Date</b><br>A B and C – Ongoing<br><b>Responsibility</b><br>A - Contracts Performance Manager<br>B - AD Property Services/Contracts Performance Manager<br>C - AD Property Services | It was confirmed by the EKH Contract Administrator that commitment orders are not always placed on financial systems at the time the Contract Administrator instructions are being given to the contractor. This may result in a time delay between the contract instruction being issued and the financial commitment being registered on the Client Councils system.<br>EKH has undertaken additional training with the Customer & Transactions Team and has also recruited two administrators within the compliance team to overcome any delays in the process.<br><br><b>Partially Outstanding.</b> |
| EKH should ensure the cross reference of all valuations for new heating installations and smoke alarm/CO detector installations to identify possible duplicate charges. Then obtain repayment from the contractor for any duplicate charges identified. | a. Contracts Manager/Surveyor performance expectations and guidance notes<br>b. GCS engaged to review all 2017/18 installations and produce a report of findings<br>c. Contracts Performance Manager tasked with cross checking all valuations and challenging errors<br>d. Contracts Performance Manager tasked with  | Discussions were started with the contractor in August 2018 regarding a repayment relating to new heating installations. Discussions regarding amounts charged in respect of electrical certificates, smoke alarms, CO detectors, TRVs, voids and water hygiene have  |

**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.   |
|-------------------------|--|---|
|                         | <p>Contract Management and Financial Control for the gas servicing and heating installations contracts</p> <p><b>Proposed Completion Date</b><br/>a. Completed, b &amp; c &amp; d Ongoing</p> <p><b>Responsibility</b><br/>Contracts Performance Manager</p> | <p>been raised with the contractor and it is now proposed that the value of these be set-off against outstanding payments and future valuations. The EKH Chief Executive and Director of Property Services have been in contact with the four councils' client officers since May 2018 regarding the contracts and more recently have been seeking their views on the way forward.</p> <p><b>Partially Outstanding.</b></p> |

| SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS STILL TO BE REVIEWED |                       |                    |                      |
|---|-----------------------|--------------------|----------------------|
| Service   | Reported to Committee | Level of Assurance | Follow-up Action Due |
| Private Sector Housing & HMO Licensing                            | December 2018         | Limited            | Work-in-Progress     |
| Data Protection   | June 2019             | Limited            | Autumn 2019          |

**PROGRESS AGAINST THE AGREED 2019-20 AUDIT PLAN.**

**DOVER DISTRICT COUNCIL:**

| Review  | Original Planned Days | Revised Planned Days | Actual days to 31-05-2019 | Status and Assurance Level  |
|---|-----------------------|----------------------|---------------------------|---|
| <b>FINANCIAL SYSTEMS:</b>                         |                       |                      |                           |   |
| Car Parking & Enforcement                         | 10                    | 10                   | 0                         | Quarter 4   |
| Budgetary Control                                 | 10                    | 10                   | 0                         | Quarter 3   |
| Insurance & Insurance of Portable Assets          | 10                    | 10                   | 0.24                      | Postponed till 2020-21 due to retendering of insurance in 2019-20 |
| <b>RESIDUAL HOUSING SYSTEMS:</b>                  |                       |                      |                           |   |
| HRA Business Plan                                 | 10                    | 10                   | 0                         | Quarter 3   |
| <b>GOVERNANCE RELATED:</b>                        |                       |                      |                           |   |
| Members' Code of Conduct & Standards Arrangements | 10                    | 10                   | 0                         | Quarter 2   |
| Anti-Fraud & Corruption                           | 2                     | 2                    | 0.3                       | Quarter 3   |
| Shared Service Monitoring                         | 10                    | 10                   | 0                         | Quarter 4   |
| Corporate Advice/CMT                              | 2                     | 2                    | 0                         | Work-in-progress throughout 2018-19                               |
| s.151 Meetings and support                        | 9                     | 9                    | 4.22                      | Work-in-progress throughout 2018-19                               |
| Governance Committee Meetings and Reports         | 12                    | 12                   | 2.89                      | Work-in-progress throughout 2018-19                               |
| 2019-20 Audit Plan Preparation and Meetings       | 9                     | 9                    | 0                         | Quarter 4   |
| <b>SERVICE LEVEL:</b>                             |                       |                      |                           |   |
| Procurement                                       | 10                    | 10                   | 0                         | Quarter 2   |
| Community Safety                                  | 10                    | 10                   | 3.11                      | Quarter 1   |
| Dog Warden, Street Scene and Litter Enforcement   | 10                    | 10                   | 0                         | Quarter 4   |
| Electoral Registration & Election Management      | 13                    | 13                   | 0                         | Quarter 3   |

| Review   | Original Planned Days | Revised Planned Days | Actual days to 31-05-2019 | Status and Assurance Level                   |
|--|-----------------------|----------------------|---------------------------|--|
| Environmental Health – Public Health Burials   | 10                    | 10                   | 0                         | Quarter 3                                    |
| Environmental Health – Health & Safety at Work | 10                    | 10                   | 0                         | Quarter 2                                    |
| Environmental Protection Service Requests      | 10                    | 10                   | 0.18                      | Quarter 1                                    |
| Equality & Diversity                           | 10                    | 10                   | 0.18                      | Quarter 4                                    |
| Museum & VIC                                   | 12                    | 12                   | 0                         | Quarter 3                                    |
| Commercial Properties & Concessions            | 12                    | 12                   | 0                         | Quarter 2                                    |
| Petty Cash & Travel Arrangements               | 8                     | 8                    | 0                         | Quarter 2                                    |
| Printing, Photocopying & Postage               | 10                    | 10                   | 2.42                      | Work-in-Progress                             |
| Sports & Leisure                               | 15                    | 15                   | 0                         | Quarter 4                                    |
| <b>OTHER</b>                                   |                       |                      |                           |  |
| Liaison with External Auditors                 | 1                     | 1                    | 0                         | Work-in-progress throughout 2018-19          |
| Follow-up Work                                 | 15                    | 15                   | 0.75                      | Work-in-progress throughout 2018-19          |
| <b>FINALISATION OF 2018-19- AUDITS</b>         |                       |                      |                           |  |
| Food Safety                                    | 5                     |                      | 4.39                      | Finalised                                    |
| Data Protection                                |                       |                      | 0.31                      | Finalised                                    |
| Building Control                               |                       |                      | 2.66                      | Draft Report                                 |
| Waste Management & Street Cleansing            |                       |                      | 0.18                      | Work-in-Progress                             |
| Risk Management                                |                       |                      | 8.17                      | Draft Report                                 |
| Days over delivered in 2018-19                 | 0                     | -4.59                |                           | Completed                                    |
| <b>Responsive Work:</b>                        |                       |                      |                           |  |
| Homelessness – 2018-19                         | 0                     | 0                    | 0.27                      | Finalised                                    |
| <b>TOTAL</b>                                   | <b>255</b>            | <b>250.41</b>        | <b>30.27</b>              | <b>12.09% as at 31<sup>st</sup> May 2019</b> |

**EAST KENT HOUSING LIMITED:**

| Review   | Original<br>Planned<br>Days | Revised<br>Planned<br>Days | Actual days<br>to<br>31-05-2019 | Status and<br>Assurance Level          |
|--|-----------------------------|----------------------------|---------------------------------|--|
| <b>Planned Work:</b>                             |                             |                            |                                 |  |
| CMT/Audit Sub Cttee/EA Liaison                   | 4                           | 4                          | 2.51                            | Work-in-progress<br>throughout 2018-19 |
| Follow-up Reviews                                | 4                           | 4                          | 1.76                            | Work-in-progress<br>throughout 2018-19 |
| Rent Accounting, Collection & Debt<br>Mngmt.     | 40                          | 40                         | 0                               | Quarter 2                              |
| Rechargeable Works                               | 10                          | 10                         | 0                               | Quarter 3                              |
| Tenants' Health & Safety                         | 15                          | 15                         | 12.35                           | Work-in-Progress                       |
| Customer Contact                                 | 12                          | 12                         | 0                               | Quarter 4                              |
| East Kent Housing Improvement<br>Plan            | 10                          | 10                         | 0                               | Quarter 3                              |
| Estate Management Inspection                     | 15                          | 15                         | 0                               | Quarter 2                              |
| Anti-Social Behaviour                            | 15                          | 15                         | 0                               | Quarter 4                              |
| Employee Health, Safety & Welfare                | 15                          | 15                         | 0                               | Quarter 2                              |
| <b>Finalisation of 2018-19 Work-in-Progress:</b> |                             |                            |                                 |  |
| Days under delivered in 2018-19                  | 0                           | 19.50                      |                                 | Allocated                              |
| Staff Performance Management                     | 0                           | 0                          | 4.55                            | Work-in-Progress                       |
| Welfare Reform                                   | 0                           | 0                          | 2.05                            | Work-in-Progress                       |
| Repairs & Maintenance                            | 0                           | 0                          | 16.21                           | Work-in-Progress                       |
| Service Level Agreements                         | 0                           | 0                          | 0.97                            | Finalised                              |
| <b>Total</b>                                     | <b>140</b>                  | <b>159.50</b>              | <b>40.40</b>                    | <b>25.33% as at 31-05-<br/>2019</b>    |



**EKS, EKHR & CIVICA:**

| Review                                 | Original Planned Days | Revised Planned Days | Actual days to 31-05-2019 | Status and Assurance Level          |
|--|-----------------------|----------------------|---------------------------|-------------------------------------|
| <b>EKS, EKHR &amp; Civica Reviews:</b> |                       |                      |                           |                                     |
| Business Rates – Reliefs and Credits   | 15                    | 15                   | 0                         | Quarter 2                           |
| Council Tax                            | 20                    | 20                   | 0                         | Quarter 3                           |
| Housing Benefit Appeals                | 15                    | 15                   | 2.94                      | Work-in-Progress                    |
| KPIs                                   | 5                     | 5                    | 0                         | Quarter 2                           |
| ICT Disaster Recovery                  | 15                    | 15                   | 0                         | Quarter 4                           |
| ICT Physical & Environment             | 15                    | 15                   | 3.77                      | Work-in-Progress                    |
| Housing Benefit Testing                | 15                    | 15                   | 0                         | Work-in-Progress                    |
| <b>EKHR Reviews:</b>                   |                       |                      |                           |                                     |
| Employee Benefits-in-Kind              | 15                    | 15                   | 0                         | Quarter 4                           |
| Payroll                                | 15                    | 15                   | 0                         | Quarter 3                           |
| Recruitment                            | 15                    | 15                   | 0                         | Quarter 2                           |
| <b>Other:</b>                          |                       |                      |                           |                                     |
| Corporate/Committee                    | 8                     | 8                    | 2.96                      | Work-in-progress throughout 2019-20 |
| Follow up                              | 7                     | 7                    | 3                         | Work-in-progress throughout 2019-20 |
| Days under delivered in 2018-19        | 0                     | 27.26                |                           | Allocated as below                  |
| <b>Finalisation of 2018/19 Audits:</b> |                       |                      |                           |                                     |
| Days under delivered in 2018-19        | 0                     | 27.26                | 0                         | Allocated below                     |
| Housing Benefit Testing                | 0                     |                      | 8.58                      | Finalised                           |
| Payroll                                |                       |                      | 0.68                      | Work-in-progress                    |
| ICT PCI-DSS Compliance                 |                       |                      | 4.39                      | Work-in-Progress                    |
| <b>Total</b>                           | <b>160</b>            | <b>187.26</b>        | <b>26.32</b>              | <b>14% at 31-05-2019</b>            |



This Quarter, the Balanced Scorecard of performance indicators to 31<sup>st</sup> March 2019 is contained within the Internal Audit Annual Report – please see the separate agenda item.

## 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.

|                               |   |
|-------------------------------|---|
| <b>Subject:</b>               | <b>ANNUAL INTERNAL AUDIT REPORT</b>   |
| <b>Meeting and Date:</b>      | <b>Governance Committee – 27<sup>th</sup> June 2019</b>   |
| <b>Report of:</b>             | <b>Christine Parker – Head of Audit Partnership</b>   |
| <b>Decision Type:</b>         | <b>Non-key</b>  |
| <b>Classification:</b>        | <b>Unrestricted</b>   |
| <b>Purpose of the report:</b> | 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 31 <sup>st</sup> March 2019. |
| <b>Recommendation:</b>        | That Members note the report.   |

### **Internal Audit Annual Report 2018-19.**

#### **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 2018-19 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 2018-19 the EKAP delivered 101.89% of the agreed audit plan days, with 4.59 days over delivered to be adjusted for in 2019-20. 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 delivered financial savings against its agreed budget to all its partners in the delivery of the service.

### **Background Papers**

- **Internal Audit Annual Plan 2018-19 - Previously presented to and approved at the March 2018 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 2018-19 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 2018-19 in accordance with the Public Sector Internal Audit Standards.

### **Attachments**

Annex A – East Kent Audit Partnership Annual Report 2018-19

CHRISTINE PARKER  
Head of Audit Partnership

## **Annual Internal Audit Report for Dover District Council 2018-19**

### **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 through 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 7.23. Additional audit days have been provided via audit contractors in order to meet the planned workloads.

### **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 2019 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**

3.6.1 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.

3.6.2 The internal audit activity adds value to the organisation (and its stakeholders) when it provides objective and relevant assurance, and contributes to the effectiveness and efficiency of governance, risk management and control processes.

3.6.3 In 2018-19 EKAP as required by the standards has demonstrated that it achieved the Core Principles in three key ways. Firstly, by fulfilling the definition of Internal Auditing which is the statement of fundamental purpose, nature and scope of internal auditing. The definition is authoritative guidance for the internal audit profession (and is shown at paragraph 1 above). Secondly by demonstrating that it has been effective in achieving its mission showing that it;-

- Demonstrates integrity.
- Demonstrates competence and due professional care.
- Is objective and free from undue influence (independent).
- Aligns with the strategies, objectives, and risks of the organization.
- Is appropriately positioned and adequately resourced.
- Demonstrates quality and continuous improvement.
- Communicates effectively.
- Provides risk-based assurance.
- Is insightful, proactive, and future-focused.
- Promotes organisational improvement.

And thirdly by complying with The Code of Ethics, which is a statement of principles and expectations governing behaviour of individuals and organisations in the conduct of internal auditing. The Rules of Conduct describe behaviour norms expected of internal auditors. These rules are an aid to interpreting the Core Principles into practical applications and are intended to guide the ethical conduct of internal auditors.

### 3.7 Financial Performance

Expenditure and recharges for year the 2018-19 are all in line with the Internal Audit cost centre hosted by Dover District Council. Financial management has delivered a cashable saving against budget.

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 2018-19 included a total of 20 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 (8) have therefore been pushed back in the overall strategic plan, to permit some higher risk projects to come forward (2). The total number of projects undertaken in 2018-19 was 12, with 2 being WIP at the year end to be finalised in April. In addition 5 projects were finalised from the 2017-18 plan.

## Review of the Internal Control Environment

### 4.1 Risks

During 2018-19, 99 recommendations were made in the agreed final audit reports to Dover District Council. These are analysed as being Critical, High, Medium or Low risk in the following table:

| Risk Criticality | No. of Recommendations | Percentage  |
|------------------|------------------------|-------------|
| Critical         | 4                      | 4%          |
| High             | 46                     | 47%         |
| Medium           | 39                     | 39%         |
| Low              | 10                     | 10%         |
| <b>TOTAL</b>     | <b>99</b>              | <b>100%</b> |



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 2018-19 the EKAP has raised and reported to the quarterly Governance Committee meetings 99 recommendations, and whilst 90% were in the Critical, 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 ten pieces of completed work for Dover District Council, together with the finalisation of the five 2017-18 audits is as follows:

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

| Assurance                    | No. | Percentage of Completed Reviews |
|------------------------------|-----|---------------------------------|
| Substantial                  | 2   | 15%                             |
| Reasonable                   | 8   | 62%                             |
| Limited                      | 3   | 23%                             |
| No                           | 0   | 0%                              |
| Work in Progress at Year-End | 2   | -                               |
| Not Applicable               | 3   | -                               |

\* 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 77% of the reviews account for substantial or reasonable assurance, whilst 23% 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 six reviews completed on behalf of East Kent Housing Ltd. and the assurances for these audits were - 0 Substantial, 4 Reasonable, 2 Limited, 0 Not Applicable and 4 work in progress at the year-end.. Information is provided in Appendix 3.

There were eleven reviews completed on behalf of EK Services and the assurances for these audits were - 3 Substantial, 5 Reasonable, 3 Not Applicable and 4 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 2018-19 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 2018-19.

| <b>Total Follow Ups undertaken 17</b> | <b>No Assurance</b> | <b>Limited Assurance</b> | <b>Reasonable Assurance</b> | <b>Substantial Assurance</b> |
|---------------------------------------|---------------------|--------------------------|-----------------------------|------------------------------|
| <b>Original Opinion</b>               | 0                   | 3                        | 10                          | 2                            |
| <b>Revised Opinion</b>                | 0                   | 2                        | 12                          | 5                            |

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 28 June 2018 (Planning & s.106).

| <b>Area Under Review</b> | <b>Original Assurance</b> | <b>Follow Up Result</b> |
|--------------------------|---------------------------|-------------------------|
| Inward Investment        | Reasonable /Limited       | Reasonable              |
| Homelessness             | Substantial /Limited      | Substantial /Reasonable |
| Planning & s.106         | Substantial /Reasonable   | Substantial /Limited    |

East Kent Housing received seven follow up reviews for which the revised assurance levels were all Reasonable except one regarding Contract Management, which remains at a partially Limited assurance after follow up.

EK Services received four follow ups; the revised assurances were Substantial for one review, Reasonable for three reviews and there were none with a Limited assurance.

Consequently, there are no fundamental issues of note arising from the audits and follow up undertaken in 2018-19. There is one DDC review showing a partially limited assurance after follow up.

#### 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 2018-19.

#### 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. 247.48 audit days were competed for Dover District Council during 2018-2019 which represents 101.89% plan completion. The 4.59 days ahead at the year end, will be adjusted in 2019-20. 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 31<sup>st</sup> 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 4.59 days ahead of schedule as we commence 2019-20, as shown in the table below.

| Year         | Plan Days    | Plus B/Fwd | Adjusted Requirement from EKAP | Days Delivered  | Percentage Completed | Days Carried Forward<br>(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       | 271.30                         | 257.22          | 94.8%                | -12.78  |
| 2016-17      | 270          | -14.1      | 255.90                         | 278.15          | 97.91%               | +8.15   |
| 2017-18      | 255          | +5.95      | 260.95                         | 273.06          | 104.64%              | +18.06  |
| 2018-19      | 255          | -12.11     | 242.89                         | 247.48          | 101.89%              | -7.52   |
| <b>Total</b> | <b>3,522</b> |            |                                | <b>3,526.59</b> | <b>100.13%</b>       | <b>+4.59</b>  |

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 1<sup>st</sup> July 2019.

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 24<sup>th</sup> July 2019.

## **5. Overall assessment of the System of Internal Controls 2018-19**

Based on the work of the EKAP on behalf of Dover District Council during 2018-19, 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 three areas where a partially limited assurance level was given which reflected a lack of confidence in arrangements. One of these reviews has been followed up and is detailed in the table at Paragraph 4.3 (Homelessness) the remaining two are shown in the table in Paragraph 6 which details the planned follow up activity.

## **6. Significant issues arising in 2018-19**

From the work undertaken during 2018-19, 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 was one review that remained a partially Limited Assurance after follow up, and three 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 (Planning 26.06.18, Land Charges 27.09.18 Counter Fraud 14.03.19).

Reviews previously assessed as providing a 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<br>(Date to Committee) | Progress Report     |
|---|---|---------------------|
| Private Sector Housing &<br>HMO Licensing | Limited<br>December 2018                  | Quarter Two 2019-20 |
| GDPR & Information<br>Management          | Limited<br>June 2019                      | Quarter Two 2019-20 |

And for EK Services there were no reviews previously assessed as providing a Limited Assurance that were followed up in 2018-19. Four follow up reviews were undertaken which resulted with 1 Substantial and 3 with Reasonable assurance. There are no reviews with a limited assurance awaiting a follow up.

And for East Kent Housing there was one review remaining at partially 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 at the year end. There are no reviews with no or limited assurance currently awaiting a follow up.

## 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 2018-19, 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 2018-19 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 Agreed 2018-19  
Dover District Council Audit Plan**

| <b>Review</b>                               | <b>Original<br/>Planned<br/>Days</b> | <b>Revised<br/>Planned<br/>Days</b> | <b>Actual<br/>days to<br/>31-03-<br/>2019</b> | <b>Status and Assurance<br/>Level</b>   |
|---|--------------------------------------|-------------------------------------|---|---|
| <b>FINANCIAL SYSTEMS:</b>                   |                                      |                                     |   |   |
| Capital                                     | 10                                   | 10                                  | 9.91  | Finalised – Substantial                 |
| Bank Reconciliation                         | 5                                    | 5                                   | 6.95  | Finalised – Reasonable                  |
| VAT   | 10                                   | 10                                  | 9.94  | Finalised – Substantial                 |
| <b>RESIDUAL HOUSING SYSTEMS:</b>            |                                      |                                     |   |   |
| Homelessness                                | 10                                   | 20                                  | 18.19   | Finalised – Substantial/Limited         |
| Housing Allocations                         | 10                                   | 0                                   | 0   | Budget used for the Homelessness review |
| <b>GOVERNANCE RELATED:</b>                  |                                      |                                     |   |   |
| GDPR, FOI and Information Management        | 15                                   | 15                                  | 17.32   | Finalised – Limited                     |
| Anti-Fraud & Corruption Assurance Mapping   | 10                                   | 10                                  | 5.39  | Finalised – N/A                         |
| Complaints Monitoring                       | 10                                   | 10                                  | 0   | Carried Over                            |
| Risk Management                             | 10                                   | 10                                  | 0.18  | Carried Over                            |
| Corporate Advice/CMT                        | 2                                    | 2                                   | 7.29  | Completed                               |
| s.151 Meetings and support                  | 9                                    | 9                                   | 9.78  | Completed                               |
| Governance Committee Meetings and Reports   | 12                                   | 12                                  | 12.73   | Completed                               |
| 2019-20 Audit Plan Preparation and Meetings | 9                                    | 9                                   | 12.21   | Completed                               |
| <b>SERVICE LEVEL:</b>                       |                                      |                                     |   |   |
| Safeguarding Children & Vulnerable Adults   | 10                                   | 10                                  | 0   | Carried Over                            |
| Private Sector Housing & HMO Licensing      | 10                                   | 10                                  | 17.10   | Finalised - Limited                     |
| Food Safety                                 | 10                                   | 10                                  | 6.98  | Work-in-progress                        |
| Pest Control                                | 10                                   | 0                                   | 0.18  | Carried Over                            |
| Events Management                           | 10                                   | 0                                   | 0   | Carried Over                            |
| Local Plan, MTFP and Corporate Plan         | 10                                   | 0                                   | 0   | Carried Over                            |
| Building Control                            | 12                                   | 12                                  | 10.05   | Work-in-progress                        |
| Uniform iDox – Post Implementation Review   | 13                                   | 13                                  | 20.36   | Finalised – N/A                         |

| Review                                     | Original<br>Planned<br>Days | Revised<br>Planned<br>Days | Actual<br>days to<br>31-03-<br>2019 | Status and Assurance<br>Level      |
|--|-----------------------------|----------------------------|-------------------------------------|------------------------------------|
| White Cliffs Countryside & Up on the Downs | 12                          | 12                         | 14.80                               | Finalised - Reasonable             |
| Waste Management & Street Cleansing        | 15                          | 15                         | 0.35                                | Carried Over                       |
| <b>Responsive Assurance Work:</b>          |                             |                            |                                     |                                    |
| Post Implementation Review                 | 0                           | 10                         | 10.13                               | Finalised – N/A                    |
| <b>OTHER</b>                               |                             |                            |                                     |                                    |
| Liaison with External Auditors             | 1                           | 1                          | 0.24                                | Completed                          |
| Follow-up Work                             | 15                          | 15                         | 23.97                               | Completed                          |
| <b>FINALISATION OF 2017-18- AUDITS</b>     |                             |                            |                                     |                                    |
| Car Parking & PCNs                         | 5                           | 30                         | 0.44                                | Finalised - Reasonable             |
| Creditors & CIS                            |                             |                            | 9.86                                | Finalised - Reasonable             |
| Licensing                                  |                             |                            | 1.72                                | Finalised - Reasonable             |
| Income                                     |                             |                            | 8.92                                | Finalised – Substantial/Reasonable |
| Project Management                         |                             |                            | 3.72                                | Finalised - Reasonable             |
| Grounds Maintenance                        |                             |                            | 8.79                                | Finalised - Reasonable             |
| Days over delivered in 2017-18             |                             | -7.11                      | 0                                   | Completed                          |
| <b>TOTAL</b>                               | <b>255</b>                  | <b>242.89</b>              | <b>247.50</b>                       | <b>101.89%</b>                     |



**Performance against the Agreed 2018-19  
East Kent Housing Audit Plan**

| Review   | Original<br>Planned<br>Days | Revised<br>Planned<br>Days | Actual<br>days to<br>31-03-2019 | Status and Assurance<br>Level |
|--|-----------------------------|----------------------------|---------------------------------|-------------------------------|
| <b>Planned Work:</b>                                   |                             |                            |                                 |                               |
| CMT/Finance & Audit Sub<br>Ctte/External Audit Liaison | 4                           | 4                          | 6.46                            | Completed                     |
| Follow-up Reviews                                      | 4                           | 14                         | 15.68                           | Completed                     |
| Repairs & Maintenance                                  | 30                          | 30                         | 18.07                           | Work-in-Progress              |
| Void Property Management                               | 20                          | 20                         |                                 |                               |
| Health & Safety  | 20                          | 0                          | 0                               | Carried Over to 2019-20       |
| Contract Monitoring                                    | 17                          | 27                         | 27.58                           | Finalised - Limited           |
| Staff Performance Management                           | 15                          | 15                         | 8.48                            | Work-in-Progress              |
| Welfare Reform   | 10                          | 10                         | 6.14                            | Work-in-Progress              |
| Resident Involvement                                   | 10                          | 0                          | 0.35                            | Carried Over to 2019-20       |
| Service Level Agreements                               | 10                          | 15                         | 15.64                           | Work-in-Progress              |
| <b>Responsive Assurance Work:</b>                      |                             |                            |                                 |                               |
| Contract Management                                    | 0                           | 5                          | 4.74                            | Finalised                     |
| Single System – Planned<br>Maintenance Module          | 0                           | 0                          | 0.18                            | Finalised                     |
| <b>Finalisation of 2018-19 Work-in-Progress:</b>       |                             |                            |                                 |                               |
| Days under delivered in 2017-18                        | 0                           | 10.94                      |                                 | Allocated                     |
| Complaints Management                                  |                             |                            | 0.36                            | Finalised - Reasonable        |
| GDPR & Information Management                          |                             |                            | 4.14                            | Finalised - Reasonable        |
| Leasehold Services                                     |                             |                            | 1.15                            | Finalised - Reasonable        |
| Tenancy & RTB Fraud Prevention                         |                             |                            | 14.34                           | Finalised - Limited           |
| Property Services Action Plan                          |                             |                            | 8.14                            | Finalised - Reasonable        |
| <b>Total</b>   | <b>140</b>                  | <b>150.94</b>              | <b>131.44</b>                   | <b>87.08%</b>                 |

**Performance against the Agreed 2018-19  
East Kent Services Audit Plan**

| <b>Review</b>                          | <b>Original<br/>Planned<br/>Days</b> | <b>Revised<br/>Planned<br/>Days</b> | <b>Actual<br/>days to<br/>31-03-2019</b> | <b>Status and Assurance<br/>Level</b> |
|--|--------------------------------------|-------------------------------------|--|---------------------------------------|
| <b>EKS &amp; Civica Reviews:</b>       |                                      |                                     |  |                                       |
| Housing Benefits Assessment            | 15                                   | 15                                  | 0.18                                     | Work In Progress                      |
| Housing Benefit Testing                | 15                                   | 25                                  | 25.49                                    | Finalised - N/A                       |
| Housing Benefits – DHPs                | 15                                   | 20                                  | 17.15                                    | Finalised - Reasonable                |
| Debtor Accounts                        | 20                                   | 20                                  | 11.25                                    | Finalised - Substantial               |
| ICT – Network Security                 | 15                                   | 0                                   | 0.32                                     | Deferred to<br>accommodate PSN        |
| ICT – PSN Review                       | 0                                    | 15                                  | 16.11                                    | Finalised – N/A                       |
| ICT – PCI-DSS Compliance               | 15                                   | 15                                  | 6.02                                     | Work In Progress                      |
| KPIs                                   | 5                                    | 5                                   | 0.63                                     | Work In Progress                      |
| <b>EKHR Reviews:</b>                   |                                      |                                     |  |                                       |
| Payroll                                | 15                                   | 15                                  | 14.20                                    | Work In Progress                      |
| Apprenticeships                        | 15                                   | 15                                  | 16.00                                    | Finalised -<br>Substantial/Reasonable |
| Absence Management                     | 15                                   | 15                                  | 18.27                                    | Finalised - Reasonable                |
| <b>Other:</b>                          |                                      |                                     |  |                                       |
| Corporate/Committee                    | 8                                    | 8                                   | 8.19                                     | Completed                             |
| Follow up                              | 7                                    | 7                                   | 8.81                                     | Completed                             |
| Days under delivered in 2017-18        | 0                                    | 47.79                               |  | Allocated as below                    |
| <b>Finalisation of 2017/18 Audits:</b> |                                      |                                     |  |                                       |
| Housing Benefit Testing                |                                      |                                     | 6.82                                     | Finalised - N/A                       |
| Payroll                                |                                      |                                     | 4.96                                     | Finalised - Substantial               |
| Employee Allowances & Expenses         |                                      |                                     | 1.28                                     | Finalised - Reasonable                |
| ICT – Procurement & Disposal           |                                      |                                     | 14.92                                    | Finalised - Reasonable                |
| Council Tax Reduction Scheme           |                                      |                                     | 9.92                                     | Finalised - Substantial               |
| <b>Total</b>                           | <b>160</b>                           | <b>207.79</b>                       | <b>180.52</b>                            | <b>86.88%</b>                         |

## EKAP Balanced Scorecard – 2018-19

| <b><u>INTERNAL PROCESSES PERSPECTIVE:</u></b>  | <b><u>2018-19<br/>Actual</u></b> | <b><u>Target</u></b> | <b><u>FINANCIAL PERSPECTIVE:</u></b>  | <b><u>2018-19<br/>Actual</u></b> | <b><u>Original<br/>Budget</u></b> |
|--|----------------------------------|----------------------|---|----------------------------------|-----------------------------------|
|  | <b>Quarter 4</b>                 |                      | <b>Reported Annually</b>  |                                  |                                   |
| <b>Chargeable as % of available days</b>   | <b>87%</b>                       | <b>80%</b>           | <ul style="list-style-type: none"> <li>• <b>Cost per Audit Day</b></li> </ul>                     | <b>£300.38</b>                   | <b>£300.38</b>                    |
| <b>Chargeable days as % of planned days</b>  |                                  |                      | <ul style="list-style-type: none"> <li>• <b>Direct Costs</b></li> </ul>                           | <b>£402,398.02</b>               | <b>£385,970</b>                   |
| CCC  | <b>94%</b>                       | <b>100%</b>          | <ul style="list-style-type: none"> <li>• <b>+ Indirect Costs (Recharges from Host)</b></li> </ul> | <b>£10,530.00</b>                | <b>£10,530</b>                    |
| DDC  | <b>102%</b>                      | <b>100%</b>          | <ul style="list-style-type: none"> <li>• <b>- 'Unplanned Income'</b></li> </ul>                   | <b>£1,801.25</b>                 | <b>Zero</b>                       |
| F&HDC  | <b>88%</b>                       | <b>100%</b>          | <ul style="list-style-type: none"> <li>• <b>- Credit from 2017-18 rolled forward</b></li> </ul>   | <b>£14,626.77</b>                | <b>Zero</b>                       |
| TDC  | <b>88%</b>                       | <b>100%</b>          | <ul style="list-style-type: none"> <li>• <b>= Net EKAP cost (all Partners)</b></li> </ul>         | <b>£396,500</b>                  | <b>£396,500</b>                   |
| EKS  | <b>87%</b>                       | <b>100%</b>          |   |                                  |                                   |
| EKH  | <b>87%</b>                       | <b>100%</b>          |   |                                  |                                   |
| <b>Overall</b>   | <b>92%</b>                       | <b>100%</b>          |   |                                  |                                   |
| <b>Follow up/ Progress Reviews;</b>  |                                  |                      |   |                                  |                                   |
| <ul style="list-style-type: none"> <li>• <b>Issued</b></li> </ul>  | <b>60</b>                        | <b>-</b>             |   |                                  |                                   |
| <ul style="list-style-type: none"> <li>• <b>Not yet due</b></li> </ul>   | <b>13</b>                        | <b>-</b>             |   |                                  |                                   |
| <ul style="list-style-type: none"> <li>• <b>Now due for Follow Up</b></li> </ul>                                       | <b>27</b>                        | <b>-</b>             |   |                                  |                                   |
| <b>Compliance with the Public Sector<br/>Internal Audit Standards (PSIAS)<br/>(see Annual Report for more details)</b> | <b>Partial</b>                   | <b>Full</b>          |   |                                  |                                   |

| <b><u>CUSTOMER PERSPECTIVE:</u></b>                      | <b><u>2018-19<br/>Actual</u></b> | <b><u>Target</u></b> | <b><u>INNOVATION &amp; LEARNING<br/>PERSPECTIVE:</u></b>                        | <b><u>2018-19<br/>Actual</u></b> | <b><u>Target</u></b> |
|--|----------------------------------|----------------------|---|----------------------------------|----------------------|
|  | <b>Quarter 4</b>                 |                      | <b>Quarter 4</b>  |                                  |                      |
| <b>Number of Satisfaction Questionnaires Issued;</b>     | <b>60</b>                        |                      | <b>Percentage of staff qualified to relevant technician level</b>               | <b>75%</b>                       | <b>75%</b>           |
| <b>Number of completed questionnaires received back;</b> | <b>23</b>                        |                      | <b>Percentage of staff holding a relevant higher level qualification</b>        | <b>36%</b>                       | <b>36%</b>           |
|  | <b>= 38%</b>                     |                      | <b>Percentage of staff studying for a relevant professional qualification</b>   | <b>14%</b>                       | <b>N/A</b>           |
| <b>Percentage of Customers who felt that;</b>            |                                  |                      | <b>Number of days technical training per FTE</b>                                | <b>2.68</b>                      | <b>3.5</b>           |
| • Interviews were conducted in a professional manner     | <b>100%</b>                      | <b>100%</b>          | <b>Percentage of staff meeting formal CPD requirements (post qualification)</b> | <b>36%</b>                       | <b>36%</b>           |
| • The audit report was 'Good' or better                  | <b>100%</b>                      | <b>90%</b>           |   |                                  |                      |
| • That the audit was worthwhile.                         | <b>100%</b>                      | <b>100%</b>          |   |                                  |                      |

|                               |  |
|-------------------------------|--|
| <b>Subject:</b>               | <b>2018/19 ANNUAL GOVERNANCE ASSURANCE STATEMENT</b>   |
| <b>Meeting and Date:</b>      | <b>Cabinet – 3 June 2019</b><br><b>Governance Committee – 27 June 2019</b>   |
| <b>Report of:</b>             | <b>Louise May, Head of Governance</b>  |
| <b>Portfolio Holder:</b>      | <b>Councillor Steve Manion, Portfolio Holder for Finance and Governance</b>  |
| <b>Decision Type:</b>         | <b>Non-Key</b>   |
| <b>Classification:</b>        | <b>Unrestricted</b>  |
| <b>Purpose of the report:</b> | To approve the Annual Governance Assurance Statement 2018/19   |
| <b>Recommendation:</b>        | <p>(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.</p> <p>(2) Governance Committee are asked to accept the Annual Governance Assurance Statement alongside the 2018/19 Statement of Accounts.</p> |

## 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 2018/19, 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 2018/19 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 of the Council and the Chief Executive, having paid due regard to any matters raised by the Head of Governance and the Monitoring Officer. In particular, they should have particular regard to the opinion of the Head 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 2018/19 is attached and has been agreed by the Corporate Management Team in May 2019. The statement has been prepared taking into account the following information:

- A detailed review of the Council's performance measured against the 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 Option 1: Agree the Annual Governance Assurance Statement including the key actions identified, for signature by the Leader and the Head of Paid Service and then for inclusion in the 2018/19 Accounts

3.2 Option 2: Do not agree the Annual Governance Assurance Statement 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 has been consulted and has 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: Louise May, Head of Governance

# Dover District Council Annual Governance Assurance Statement

1 APRIL 2018 TO 31 MARCH 2019

## 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 2019 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 is 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); Strategic Director (Corporate Resources) (and Section 151 Officer) and Strategic Director (Operations and Commercial).

Members of Corporate Management Team have a responsibility for the day to day running of each Directorate of the Council. They must regularly assess their Directorate'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. 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. As from 1 January 2019 the same officer fulfils the role of Monitoring officer and Solicitor to the Council.

(k) **Data Protection Officer**

We have appointed a Data Protection Officer in accordance with Article 37 of the General Data Protection Regulation 2016. We support the Data Protection Officer by providing resources to undertake tasks and access to personal data and process and operations and to maintain expert knowledge. The Data Protection Officer his duties in an independent manner and the we may not give the Data Protection Officer instruction on exercising his role. The Data Protection Officer is currently the Solcitor to the Council.

(l) **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.

(m) **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.

**(n) 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 internal communications. The corporate training needs are identified each year and appropriate training for all or key members of staff is provided.

**(o) 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.

**(p) 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.

**(q) 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.

**(r) Internal Audit**

The East Kent Audit Partnership Internal Audit Team reports to the Strategic Director (Corporate Resources). 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.

**(s) 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.

**(t) 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.

Work has now commenced on a new District Local Plan which will replace the policies and proposals in the Council's Adopted Core Strategy, Land Allocations Local Plan and 'saved' policies from the 2002 Local Plan. The timetable for the preparation of the Local Plan is included in the Council's Local Development Scheme which is available on the Council's website.

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

This report is a 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 there will be regular updates as new data is published, with members informed in a timely manner of any significant changes.

**(v) 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.

**(w) 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.

**(x) Whistleblowing**

A confidential reporting hotline is in place to enable internal and external whistle blowing. 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.

**(y) Employment Management**

The Employment Management Group considers all requests to fill staff vacancies. The group is chaired by the Head of Finance and Housing and supported by the Head of Community and Digital Services, the Head of Governance, the Head of Regulatory 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.

**(z) 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 Strategic Director (Corporate Resources), 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 Monitoring Officer has responsibility for:**

- Monitoring the Constitution and keeping it up to date
- Ensuring ethical standards and conduct are met

(b) **The Strategic Director (Corporate Resources) has responsibility for:**

- Publishing financial information and statements accurately and reliably.
- Confirmation that resources are managed efficiently and effectively.
- 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
- The overall review of the internal control opinion and framework evidence, including service assurance statements, the audit review of Corporate Governance, 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.

(c) **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.

(d) **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

(e) **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

(f) **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

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

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

(h) **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

(i) **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 2018/19 the financial procedure rules were reviewed, the Responsibility for Functions and Proper Officer Appointments was reviewed and work was commenced on a number of other areas following organisational structure changes that came into effect on 1 January 2019. The key focus of the next review due in 2019/20 is reviewing the scheme of delegations, 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 2018/19 was presented to the Annual Council Meeting on 17 May 2019. 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 Strategic Director (Corporate Resources) and the Monitoring Officer 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 2018/19 the financial procedure rules were reviewed, the Responsibility for Functions and Proper Officer Appointments was reviewed and work was commenced on a number of other areas following organisational structure changes that came into effect on 1 January 2019. 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 2018/19 was presented to the Annual Council Meeting on 17 May 2019. 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 Strategic Director (Corporate Resources) and the Strategic Director (Operations and Commercial) 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 2017/18 accounts in accordance with the regulations. For this year, the same process provides the committee with the necessary assurances to approve the 2018/19 accounts at its meeting on 27 June 2019.

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 25 referrals to Local Government Ombudsman (LGO) in 2017/18, one of which was upheld. The official statistical return from the LGO for 2018/19 is due to be received in the summer of 2019 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 by 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 2018/19 based on the work of the East Kent Audit Partnership during 2018/19 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 2019 the Internal Auditors completed 260 days of review equating to 102% 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 2019.
- 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 Head of Governance to help inform the training needs of the organisation, some of which will be delivered corporately via the Corporate Training Plan. In 2018/19 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 2018/19 the Monitoring Officer received twelve complaints, relating to members at four authorities. One case is currently subject to investigation. The Governance Committee Hearing Panel did not meet during 2018/19.

During the municipal year 2018/19 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 25 cases reviewed by the Local Government Ombudsman during 2017/18, one case of maladministration was found.
- (c) 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.
- (d) A suite of performance indicator targets were approved by Cabinet at the start of the 2018/19 financial year and were then measured via the quarterly performance reports.
- (e) The General Data Protection Regulations (GDPR) came into force in May 2018 and 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 undertook online GDPR training and briefings sessions have been provided for all Members to attend. Further Information Governance training is planned for all staff in 2019.
- (f) In July 2018, the Council agreed its response to the to the Local Government Boundary Commission for England (LGBCE) in respect of the consultation on the new electoral arrangements for Dover District Council on a future Council size of 32 councillors. The LGBCE completed the Electoral Review of the Dover District and

the Dover (Electoral Changes) Order 2019 was made on 31 January 2019. At the full Council elections to be held on 2 May 2019, the Council will return 32 councillors representing the 17 new wards. This is a reduction from the current 45 councillors representing 21 wards.

- (g) In October 2018, Council agreed changes to the Chief Officer structure arising out of the retirement of the Director of Governance, which resulted in the removal of one Chief Officer post and re-designating the Monitoring Officer role to the Solicitor to the Council with effect from 1 January 2019.
- (h) Following the Local Government Boundary Commission for England review, the Council agreed a revised Polling District, Polling Places and Polling Stations Scheme.

## **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 East Kent Corporate Information Governance Group continues to meet on a regular basis with the suite of Information Governance Policies (16 in total) being kept under regular review by the group. Following the retirement of the Director of Governance, the Head of Governance was appointed as the Council's Senior Information Risk Officer (SIRO) with the Digital Services Manager being appointed the Deputy SIRO.
- (b) The officer Conditions of Service Working Group continues to oversee the employee terms and conditions and ensures that they remain up to date and relevant.
- (c) The 2019/20 Pay Policy and Gender Pay Gap Statements were delivered and adopted at the Council and Cabinet Meetings in March 2019.
- (d) Following the retirement of the Director of Governance a Senior Management Restructure was undertaken which saw a review of the number of Heads of Service and a realignment of service areas to the two remaining Corporate Directors.
- (e) A forward looking action plan has been prepared for 2019/20 and this will be kept under regular review by the Head of Governance and reviewed by the Governance Committee at its December 2019 meeting.

## **8. OPINION OF THE HEAD 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 will ensure that that the implementation is monitored as part of the next annual review.

Signature:: \_\_\_\_\_ Date: \_\_\_\_\_  
**Louise May**  
Head 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 Head 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  | 31/03/19  |
| 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.   | 31/03/19  |
|   | 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.          | 31/03/19  |
| 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  |

### Governance Assurance Statement Action Plan – Forward Looking

| Action Description  | Evidenced by  | Due      |
|---|---|----------|
| The Corporate Plan to be reviewed following the District Council Elections in May 2019.   | New Corporate Plan prepared and published on the website  | 31/03/20 |
| The Constitution and Code of Conduct are subject to an annual review and updated where applicable   | The constitution will be reviewed and changes and amendments agreed by the Governance Committee and Council                   | 31/03/20 |
| Business Plans prepared and published for each division   | Business plans for the forthcoming year completed and returned to Corporate Services.   | 31/03/20 |
| Quarterly performance reports all reviewed by Cabinet and Scrutiny.   | Performance reports published on the website.   | 31/03/20 |
|   | Performance reports reviewed by Cabinet and Scrutiny as per minutes published on the Website.                                 | 31/03/20 |
| 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                     | 31/03/20 |
|   | Quarterly audit reports covering audit reviews and follow up reviews are received by Governance Committee                     | 31/03/20 |
| 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.     | 31/03/20 |
| 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 will be considered by the Monitoring Officer throughout the year.                      | 31/03/20 |
| Audit undertake their annual review of the effectiveness of systems of internal control.  | Audit will complete their annual review of the system of internal control and the results are built in to their annual report | 31/03/20 |
| Governance Framework reviewed and any amendments approved.  | All amendments will be approved by the Governance Committee and Council.  | 31/03/20 |
| The provision for clawback of MMI insurance claims is reviewed and is adequate.   | MMI provision is as per the MMI annual statement  | 31/03/20 |



| Action Description               | Evidenced by  | Due      |
|----------------------------------|---|----------|
| Officer Training Plan Developed  | Corporate Training Needs agreed and training plan delivered.<br><br>A new Learning & Development Programme will be offered through EKHR with ILM Training being delivered for middle management<br><br>Induction Training for new starters. | 31/03/20 |
| Corporate Information Governance | Periodic review of the corporate information and security governance framework and policies for East Kent.  | 31/03/20 |
| Apprenticeship Levy              | Compliance with the Government requirements, including procurement of appropriate training for new apprentices.   | 31/03/20 |