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Minutes of the meeting of the **GOVERNANCE COMMITTEE** held at the Council Offices, Whitfield on Thursday, 26 March 2015 at 6.00 pm.

Present:

Chairman: Councillor T J Bartlett

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

Also Present: Emily Hill, Grant Thornton

Officers: Director of Finance, Housing and Community
Director of Governance
Director of Environment and Corporate Assets
Solicitor to the Council
Deputy Head of Audit Partnership (East Kent Audit Partnership)
Estate Valuation Manager
Director of Shared Services
Democratic Support Officer

43 APOLOGIES

There were no apologies received from Members.

44 APPOINTMENT OF SUBSTITUTE MEMBERS

There were no substitute Members appointed.

45 DECLARATIONS OF INTEREST

There were no declarations of interest made by Members.

46 MINUTES

The Minutes of the meeting held on 4 December 2014 were approved as a correct record and signed by the Chairman.

47 EK SERVICES - UPDATE FROM THE DIRECTOR

The Director of EK Services gave a verbal update to the Committee. At the last meeting of the Scrutiny (Policy and Performance) Committee it was recommended to the Governance Committee that as part of its work programme it consider the internal controls relating to the performance of the Council Tax collection service and whether in cases where errors had been made there needed to be compensation for costs incurred.

Members were reassured that there were no endemic issues with regards to the systems in place in the Council Tax collection service. The most recent audit of EK Services Council Tax had been awarded Substantial Assurance by the Council's internal auditors. Of the nine errors that were found as a result of complaints received, there were no particular systemic trends and were human errors in

administration. These errors would be addressed with the Council Tax team and not individuals.

Changes had been made to the management of emails received daily from customers and would be organised into a priority workflow to reduce the risk of the repeat of previous errors. Improvements to the telephony system across all three partner authorities were hoping to be made with the introduction of a priority system although this was not yet in place.

RESOLVED: That the update be received and noted.

48 QUARTERLY INTERNAL UPDATE REPORT

The Deputy Head of Audit Partnership presented the quarterly internal audit report which summarised work undertaken by the East Kent Audit Partnership (EKAP) since 4 December 2014 and gave details of the performance of the EKAP to 31 December 2015. Members were advised of the following typo errors in the report:

- Table (page 11) – EK Services-Customer Services should read ‘Substantial Assurance level’ not ‘Reasonable Assurance level’.
- Paragraph 2.3 (page 12) – heading should read ‘EK Services Housing Benefit Administration and Assessment’ not ‘Council Tax’.
- Paragraph 2.5 (page 14) – heading should read ‘Reasonable Assurance’ not ‘Substantial Assurance’.

Eight internal audits and two follow-up reviews had been completed during the period. Of the eight internal audits, three had received a substantial assurance level, three a reasonable assurance level and one as limited. The remaining audit related to quarterly housing benefit claim testing for which an assurance level was not applicable.

To 31 December 2014, 194.69 chargeable days had been delivered against the planned target of 260.96, equating to 74.61% plan completion and on target to complete 98% by the year end.

RESOLVED: That the Quarterly Internal Update report be received and noted.

49 AUDIT CHARTER PLAN 2015/16

The Deputy Head of Audit Partnership advised that only minor (i.e. Housekeeping) changes had been made to the Internal Audit Charter since last year. Members were informed that to comply with best practice the plan should cover a period of no more than 1 year. Annex B of the report set out priorities for 2015/16 and indicated which areas were likely to be audited for 2016/17 and 2017/18.

The draft Audit plan for 2015/2016 made 270 days available for audit of all high risk and medium risk areas of the Dover District Council to be reviewed. The Dover plan was 12.5% less than the Kent average with a total of 350 days, including audit days for EK Services (EKS) and East Kent Housing (EKH). The East Kent Audit Partnership (EKAP) could achieve another 30 days to bring the total to 380 days if an underspend for 2014/15 is confirmed.

At the inception of EKH, 100 audit days were allocated in the budget however the draft 2015/16 plan allowed for 80 days (20 days from each authority). It was

recommended that the s.151 officer consult with the partner authorities' s.151 officers to discuss the shortfall.

Members were also concerned that the current audit plan days may result in some areas awarded a Limited Assurance level not being reviewed within the three years period. Members were advised that a priority list of those not audited within three years would be maintained and would be used if capacity was available during the year.

With regards to the Housing Initiatives Programme (which formed part of the budget) and the building of 500 new homes, Councillor K E Morris requested that it be added to the 2015/16 audit plan and the process be audited and the results reported to the next available meeting of the Governance Committee.

- RESOLVED:
- (a) That the Internal Audit Charter for delivery of the internal audit service and the Council's Internal Audit Plan for 2014/16 be approved and adopted.
 - (b) That the s.151 officer consults with partner authority's s.151 officers and challenge the size of the East Kent Housing plan.
 - (c) That the Council's Housing Initiative Programme is included in the audit plan and is reported back to the next available Governance Committee meeting.

50 TREASURY MANAGEMENT QUARTER THREE REPORT

The Director of Finance, Housing and Community presented the Treasury Management report for Quarter Three advising the Committee that the Council had remained within its Treasury Management and Prudential Code guidelines during the period. The total interest received for the quarter was £101k, which meant that income for the year was projected to be £62k approximately better than the £246k budget. It was reported that Investec had returned higher rates than those achieved through in-house investments due to an improved performance of the Gilts and investments would remain the same with Investec to ensure diversity within the investment portfolio.

RESOLVED: That the Treasury Management Quarter Three report be received.

51 TRANSPARENCY AGENDA

The Estate Valuation Manager presented an overview of properties the Council owned. This was in response to a request by the Governance Committee as its meeting on 4 December 2014. Members were advised that the list was available to view online and that it excluded Council owned dwellings, garages and smaller pieces of land (these were marked on the Council's electronic terrier maps). An audit had recently been carried out by Property Services and Housing to identify pieces of land with development potential and further sites were being brought forward for future development under the Land Allocations Local Plan. All landholdings were critically examined, looking for disposal opportunities or for the more effective use of buildings, to be able to offer the best value for money for the Council.

RESOLVED: That the Transparency Agenda report be noted.

52 CERTIFICATION REPORT 2013/14

Ms E Hill presented the report which detailed the certification work carried out by Grant Thornton during 2013/14. Two claims and returns for the financial year 2014/15 had been certified, totalling £42 million. An Action Plan was attached at Appendix B which had been drawn up to address any minor issues that had been identified.

RESOLVED: That the Certification Report 2013/14 be received and noted.

53 CERTIFICATION WORK PLAN 2014/15

The Senior Manager - Grant Thornton introduced the report. Members were advised that the Housing Benefit Subsidy claim was the only claim which required certification for 2014/15.

RESOLVED: That the Certification Work Plan 2014/15 be received and noted.

54 GOVERNANCE COMMITTEE UPDATE

The Senior Manager – Grant Thornton presented the update to the Committee. Members were advised that new standards for Group Accounting arrangements had been adopted for 2014/15 and forthcoming years.

RESOLVED: That the update be noted.

55 OPTIONS FOR MEMBER AND PUBLIC PARTICIPATION AT COMMITTEE MEETINGS

The Director of Governance introduced the report to the Committee, setting out a range of options for member and public participation at meetings of the Cabinet and Council Committees, following a motion from Councillor P M Wallace at the meeting of Council at its meeting held on 29 January 2015. Members were asked for their views on the report, with the aim of giving the Director of Governance a clear steer so that he could come back with enhanced proposals to the Governance Committee meeting in June 2015.

Councillor M R Eddy welcomed the report and noted that although participation at some committees was permitted, he would like to see other committees permitting some degree of questions (on notice) and speaking participation. In addition, allowing more member participation at meetings of the Cabinet would provide the opportunity for a more open decision making process. An example would be to allow the Shadow Cabinet member or spokesperson to give the collective view to the Cabinet.

The Director of Governance suggested that Members may wish him to consult with group(s) Leader(s) after the election as part of the process of developing proposals and the approach was endorsed by the committee.

RESOLVED: That the Director of Governance, in consultation with the group(s) Leader(s) and after the AGM, be requested to develop proposals in respect of one or more of the models for member and public participation *set out in Appendices 1 and 2 of the report* for

consideration of the Governance Committee at its meeting on 18 June 2015.

The meeting ended at 8.05 pm.