



Annual Report 2018/19

Governance Committee

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Foreword by Chairman of the Committee

This report summarises the work of the Committee during the preceding year and concludes that once again it received clear, concise and relevant information together with timely reports and actions taken in response to Members' requests.

The Governance Committee continued to be assured of the integrity and reliability of data held in financial statements and 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), Strategic Director (Operations and Commercial) and Head of Governance and the work of Internal and External Audit together support the Committee in forming their opinion of the financial statements, enabling them to agree to sign them off in accordance with the regulations.

I am also pleased to report that the Corporate Complaints and Member Complaints processes continue to work well.

The submission of this Annual Report continues to enhance the effective communication between the Committee and all sections of the Council including the Executive, Statutory Officers, the Head of Internal Audit, External Audit and other stakeholders.

Councillor Pat Heath
Chairman of the Governance Committee

Head of Governance Statement

The **Delivering Good Governance in Local Government Framework** (2016 Edition) identifies seven core principles of good governance, with associated sub principles. Of particular relevance are:

- **Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**
 - **Sub Principle: Demonstrating strong commitment to ethical values**
- **Core Principle F. Managing risks and performance through robust internal control and strong public financial management.**
 - **Sub Principle: Robust Internal Control**
- **Core Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability**
 - **Sub Principle: Implementing good practices in reporting**

This report summarises the achievements of the Governance Committee against its Terms of Reference for the period 1 April 2018 to 31 March 2019 and details the impact that it has made on the overall system of internal control in operation for that period. In particular the Committee has effectively provided an independent assurance on the risk and control framework of this Council and over recent years, has taken responsibility for the functions relating to corporate service complaints and member conduct previously the responsibility of the former Standards Committee.

As the Head of Governance I am therefore satisfied that the Governance Committee is operating effectively, has delivered its functions as outlined in its Terms of Reference and has contributed to the achievement of the core and sub principles. This is evidenced by:

Consideration of the Annual Governance Assurance Statement.

Ensuring that the Council has an effective internal control mechanism.

Ensuring that the corporate complaints process and the Kent Model Code of Conduct and associated arrangements continue to work well.

Internal Audit reporting quarterly to the Governance Committee on progress against the approved audit plan, providing details of the assurance levels for each audit assignment and any key control weaknesses.

The Head of Internal Audit providing an annual internal audit report to the Governance Committee, which reports on the internal control environment and provides an overall audit assurance for the financial year.

Louise May
Head of Governance

The Role of the Governance Committee

The role of the Governance Committee is set out in the Council's Constitution. 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 and promotes high standards of conduct amongst the 45 members of Dover District Council (changing to 32 members after 2 May elections) and (up to) 317 members of Town and Parish Councils in the District.

Work Undertaken During 2018/2019

1. The Accounts and Audit (England) Regulations 2011 require the Council to, at least annually, review the effectiveness of its System of Internal Control, and then publish a statement on internal control within the Annual Governance Assurance Statement. The Council's Corporate Management Team accepted the 2017/18 Annual Governance Assurance Statement and authorised the Chief Executive to sign it following consultation with the Council's S151 Officer and Monitoring Officer. On 4 June 2018, Cabinet considered the 2017/18 Annual Governance Assurance Statement and the Leader of the Council approved the Statement. The Statement was then considered by the Governance Committee at its meeting on 28 June 2018.
2. During the year the Governance Committee received updates on progress against the agreed actions from the annual governance assurance process. The Committee was able to request service managers and, where necessary, the relevant portfolio holder to attend the committee to give an update on progress against agreed actions to reduce risk and/or improve governance.
3. The Committee oversees the Council's corporate complaints procedures. The period 1 April 2018 to 31 March 2019 has seen 96 corporate complaints processed through the Council's formal complaints procedure. This is a decrease of 27 from the previous financial year. The service areas which saw the majority of the decrease in the number of formal complaints were environmental protection, development control and waste services.
4. The Local Government Ombudsman received 25 complaints and enquiries against the Council during the 2017/18 municipal year. One complaint which related to the communication during the award of a Neighbourhood Grant was upheld. Data relating to the municipal year 2018/19 will be available from the Local Government Ombudsman in due course and will be reported to the Governance Committee.
5. Complaints against Elected or Co-opted Members. The Localism Act 2011 changed the way that complaints are assessed by the Council, replacing the two sub-committees (Initial Assessment and Review) with a decision by the Monitoring Officer, taken in consultation with the Independent Person during a consideration

meeting which is held in private. Should the Monitoring Officer decide that further investigation is required an Investigating Officer will be appointed. Where the investigation finds evidence of a failure to comply with the Code of Conduct, the Monitoring Officer can decide to take no action, seek informal resolution or refer the matter for consideration by a Hearing Panel.

6. The following information contains no details of the names of elected or co-opted members about whom complaints have been made, and is intended for use as a summary of activities only.
7. The municipal year 2018/19 has seen the Monitoring Officer receive 13 complaints, an increase of 2 when compared against the previous year. The Governance Committee Hearing Panel was not called upon to meet during 2018/19.
8. The 13 complaints received in 2018/19 related to members at 4 authorities.
9. The Committee considered the effectiveness of Internal Audit by reviewing the annual assessment of the Strategic Director (Corporate Resources) and the (then) Director of Governance (S151 Officer and Monitoring Officer), the view of External Audit; and the quality of reports, actions and follow up through the quarterly reports submitted throughout the year to Committee. The quarterly Internal Audit reports have included the following Council services or topics:

Audit Area	Assurance Level
EKS – ICT Data Management	Substantial
Environmental Crime Enforcement	Substantial
Phones, Mobiles and Utilities	Substantial/ Reasonable
External Funding Protocol	Reasonable
Car Parking and Enforcement	Reasonable
Compliance with Contract Standing Orders	Reasonable
East Kent Housing – Risk Management	Reasonable
Service Contract Monitoring	Reasonable
Licensing	Reasonable
East Kent Housing – Complaints Monitoring	Reasonable
East Kent Housing – Data Protection and Records Management	Reasonable
East Kent Housing – Leasehold Services	Reasonable
East Kent Housing – Property Service Improvement Plan	Reasonable
East Kent Housing – Safeguarding Children and Vulnerable Groups	Reasonable/ Limited
EK Services – Housing Benefit Quarterly Testing (Quarter 3 of 2017-18)	Not Applicable
EK Services – Housing Benefit Quarterly Testing (Quarter 4 of 2017-18)	Not Applicable
EKHR – Payroll	Substantial
CIVICA – Council Tax Reduction Scheme	Substantial
EKHR – Employee Allowances and Expenses	Substantial/ Reasonable
Income	Substantial/ Reasonable
Homelessness	Substantial/ Limited

Audit Area	Assurance Level
Creditors and CIS	Reasonable
Grounds Maintenance	Reasonable
Sandwich Historical Boatyard	Not Applicable
EKHR Apprenticeships	Substantial/ Reasonable
EKS ICT Procurement and Disposal	Reasonable
EKS Housing Benefit Discretionary Housing Payments	Reasonable
White Cliffs Countryside Partnership and Up on the Downs Landscape Scheme	Reasonable
Project Management	Reasonable
EKS Public Sector Network Compliance	Not Applicable
Private Sector Housing and HMO Licensing	Limited
East Kent Housing – Contract Management	Limited
Value Added Tax	Substantial
Capital	Substantial
CIVICA – Quarterly Housing Benefit Testing	Not Applicable
Tenancy Fraud and Right to Buy Fraud	Limited
Anti-Fraud Assurance Mapping	Not Applicable

Follow up reviews completed throughout the year are shown in the following tables:

Audit Area	Original Assurance level	Revised Assurance level
Planning Applications, Income and S106 Agreements	Substantial/ Reasonable	Substantial/ Limited
Contaminated Land, Pollution, Air and Water Quality	Reasonable	Reasonable
Officers' Code of Conduct and Gifts and Hospitality	Reasonable	Substantial
Contract Standing Order Compliance	Reasonable	Substantial
Land Charges	Reasonable/ Limited	Reasonable/ Limited
External Funding Protocol	Reasonable	Reasonable
CCTV	Substantial	Substantial
Local Code of Corporate Governance	Reasonable	Reasonable
Sandwich Historical Boatyard	Not Applicable	Not Applicable
East Kent Housing – Data Protection and Records Management	Reasonable	Reasonable
East Kent Housing – Risk Management	Reasonable	Reasonable
EK Services Business Rates	Substantial	Substantial
Phones, Mobiles and Utilities	Substantial/ Reasonable	Substantial/ Reasonable
Licensing	Reasonable	Substantial
East Kent Housing – Safeguarding Children and Vulnerable Groups	Reasonable/ Limited	Reasonable
East Kent Housing – Complaints Monitoring	Reasonable	Reasonable
Anti-Fraud and Corruption	Reasonable	Reasonable
Inward Investment	Reasonable/	Reasonable

	Limited	
Scheme of Officer Delegations	Substantial	Substantial
East Kent Housing – Leasehold Services	Reasonable	Reasonable
Homelessness	Substantial/ Limited	Substantial/ Reasonable

10. The Committee received the Statement of Accounts 2017/18 (final accounts) with an unqualified audit opinion at its meeting in July 2018.

Work Programme for 2019/20

2019/20 Governance Committee	
Date *	Main Agenda Items
June 2019	Internal Audit Annual Report Internal Audit Quarterly Progress Report Annual Governance Assurance Statement Grant Thornton's Quarterly update
July 2019	Statement of Accounts 2018/19
September 2019	Internal Audit Quarterly Progress Report Grant Thornton's Quarterly update Corporate Complaints Update Review of the Constitution
December 2019	Internal Audit Quarterly Progress Report Annual Governance Assurance Statement Action Plan – progress report Grant Thornton's Quarterly update Risk Management and Value for Money Update
March 2020	Internal Audit Annual Plan 2020/21 Internal Audit Quarterly Progress Report Grant Thornton's Quarterly update Governance Committee Programme for 2020/21 Corporate Complaints Update

* Meeting Dates to be confirmed at Annual Council on 17 May 2019