

# Public Document Pack

Minutes of the meeting of the **GOVERNANCE COMMITTEE** held at the Council Offices, Whitfield on Thursday, 26 September 2019 at 6.02 pm.

Present:

Chairman: Councillor D Hannent

Councillors: S S Chandler  
S J Jones  
J Rose  
C A Vinson  
P Walker  
H M Williams (as substitute for Councillor J P Haste)

Officers: Strategic Director (Corporate Resources)  
Head of Finance and Housing  
Head of Audit Partnership (East Kent Audit Partnership)  
Head of Governance  
Benefits Manager (Civica)  
Democratic Services Officer

## 9 APOLOGIES

An apology for absence was received from Councillor J P Haste.

## 10 APPOINTMENT OF SUBSTITUTE MEMBERS

It was noted that, in accordance with Council Procedure Rule 4, Councillor H Williams had been appointed as substitute member for Councillor J P Haste.

## 11 DECLARATIONS OF INTEREST

There were no declarations of interest.

## 12 MINUTES

The Minutes of the meeting of the Committee held on 27 June 2019 were approved as a correct record and signed by the Chairman.

## 13 QUARTERLY INTERNAL AUDIT UPDATE REPORT

The Head of Audit Partnership (East Kent Audit Partnership) (HAP) introduced the Quarterly Internal Audit Update report to the committee which provided a summary of the work completed by the EKAP since the last meeting of the committee.

There had been six internal audit assignments completed; one achieved substantial assurance, two concluded reasonable assurance, one achieved a split reasonable/limited assurance, one split reasonable/no assurance, and one split limited/no assurance.

In response to Councillor P Walker, it was clarified that the follow-up review of East Kent Housing Data Protection and Records Management had resulted with reasonable assurance for its General Data Protection Regulation (GDPR) and records management only. Referring to the fact that East Kent Housing (EKH) had received a limited/no assurance for its tenant health and safety, Councillor S J

Jones queried whether there was a programme in place to address this, overseen by the Council. Councillor S S Chandler reassured Members that the Head of Finance and Housing was receiving weekly reports and the situation was being closely monitored. The HAP added that it would be reported to the next East Kent Housing Audit Committee that, gas safety checks had been followed up resulting in a revised opinion of substantial assurance. In respect of fire safety, Councillor Chandler advised Members that the two blocks referred to in the Management Response to the report which had received a substantial risk level were not within the Dover district.

RESOLVED: That the report be noted.

14 TREASURY MANAGEMENT REPORT QUARTER ONE 2019/20

The Head of Finance and Housing introduced the Treasury Management Quarter One 2019/20 report to the committee. A brief summary was provided, informing Members of the Council's investment return for the quarter ended 30 June 2019 and the total forecast interest and dividends income for the year, which was slightly below the original budget estimate. This was due to no further investments in pooled investments funds due to a reduction in cashflow funds. The Council remained within its Treasury Management and Prudential Code guidelines.

RESOLVED: That the report be noted.

15 AUDIT FINDINGS REPORT

The Engagement Lead (Grant Thornton) (EL) presented the report which highlighted the key matters arising from the statutory audit of the Council and the preparation of the Council's financial statements for the year ending 31 March 2019.

The Committee was advised that the audit was now complete. No adjustments to the Financial Statement had been identified and therefore no amendments would be required. However, audit had been unable to draw a conclusion on Value for Money as an objection had been received in relation to EKH and P & R Installation Services Ltd at two of the other east Kent districts. In response to Councillor C A Vinson, the EL advised that a conclusion would be reached by December.

RESOLVED: That the report be noted.

16 FINANCIAL OUTTURN 2018/19

The Head of Finance and Housing presented the Financial Outturn 2018/19 report to the committee. Members were directed to the key points in the report for the financial outturn for the year which were:

- The General Fund was broadly balanced for the year, with a surplus of £12k following transfers to the reserves, of which included:
  - £820k to the Special Projects reserve from the additional income retained as part of the one-off NNDR Kent Pilot Scheme;
  - £700k to the Special Projects Reserve and £175k to the ICT reserve from in-year savings;

- This left the year-end General Fund balance at £2.5m;
- The Housing Revenue Account (HRA) outturn was a surplus £21k resulting in an HRA balance of £1.03m;
- The Council invested in a number of key projects, including the construction of Dover District Leisure Centre.
- The total interest received for the year was approximately £1.2m.
- No new long term borrowing was undertaken.
- The Council had remained with its Treasury Management guidelines and complied with the Prudential Code during the year.

RESOLVED: That the report be noted.

#### 17 STATEMENT OF ACCOUNTS 2018/19

The Head of Finance and Housing presented the Statement of Accounts 2018/19 to the Committee, which was a statutory requirement for all local authorities. The outturn position of the authority had been disclosed in the Financial Outturn 2018/19 report which had been considered by the committee earlier in the meeting. The auditors, Grant Thornton, gave an unqualified opinion.

Members' attention was drawn to page fifty of the report where the value of debtors for 2018/19 had been amended on the final version for signing from 5,455 to 2,776 and the subsequent total had also been amended accordingly.

RESOLVED: (a) That the audited Statement of Accounts for 2018/19 be approved and signed by the Chairman of the committee.

(b) That the Committee authorise the Chairman to sign the Letter of Representation.

#### 18 TREASURY MANAGEMENT YEAR END REPORT 2018/19

The Head of Finance and Housing introduced the Treasury Management Year End report which provided details of the Council's outturn for the year ended 31 March 2019 and activity to date. A summary of the report provided Members with details of the Council's investment return, which for the period to March was 2.16% and the total interest and dividends income received for the year was £1,159k and £160k better than the original budget estimate. The Council had remained within its Treasury Management guideline and had complied with the Prudential Code guidelines during the period.

RESOLVED: That the report be noted.

#### 19 EXCLUSION OF THE PRESS AND PUBLIC

It was moved by Councillor S Jones, duly seconded and

RESOLVED: That, under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the remainder of the

business on the grounds that the items to be considered involved the likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A of the Act.

20 ANNUAL DEBT COLLECTION REPORT FOR EAST KENT SERVICES  
(MANAGED BY CIVICA UK LTD)

The Annual Debt Collection report for East Kent Services was presented to the Committee by the Benefits Manager, Civica UK Ltd. It was constitutionally required to produce an annual report providing an overview of the debt and write-off position for debts managed by Civica UK Ltd. The report provided Members with an overview of: the overall debt position and trends; the collection rates; bad debt provisions; the overall level of write-offs proposed; and any learning points or areas where improvements could be made to further increase collection rates.

RESOLVED: That Members note

- (a) The value of income collected and write-offs for each type income, as set out in the report;
- (b) The generally high collection rates;
- (c) The aged debt profile.

The meeting ended at 7.34 pm.