



Annual Report 2020/21

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. However, owing to implications on resources due to the Covid 19 pandemic, both within the Council and with Grant Thornton (the external audit provider), the 2019/20 financial statements have not yet been signed off and are due to be considered by the committee in June 2021.

I am 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 David Hannent
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 2020 to 31 March 2021 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 32 members of Dover District Council and (up to) 317 members of Town and Parish Councils in the District.

Work Undertaken During 2020/2021

1. The Accounts and Audit (England) Regulations 2015 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. Usually, publication of the statement is required by 31 July each year. However, due to the Covid-19 pandemic, the Regulations were amended and the statement of publication was due by 30 November 2020. There was therefore a delay to the usual timetable in presentation of the statement for approval. The Council's Corporate Management Team accepted the 2019/20 Annual Governance Assurance Statement and authorised the Chief Executive to sign it following consultation with the Council's S151 Officer and Monitoring Officer. On 7 September 2020, Cabinet considered the 2019/20 Annual Governance Assurance Statement and the Leader of the Council approved the Statement. The Statement was then considered and approved by the Governance Committee at its meeting on 1 October 2020.
2. Routinely, the Governance Committee would have received an update on progress against the agreed actions from the annual governance assurance process. This has not yet taken place due to the Covid-19 pandemic and delay in presenting the statement itself but the Committee remain 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 2020 to 31 March 2021 has seen 140 corporate complaints processed through the Council's formal complaints procedure. This is an increase of 24 from the previous financial year. The service areas which saw the majority of the increase in the number of formal complaints were planning and waste and 18 were as a result of the housing provision coming back in-house.
4. The Local Government Ombudsman dealt with 13 complaints and enquiries against the Council during the 2019/20 municipal year and none were upheld. Data relating to the municipal year 2020/21 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 Monitoring Officer, in consultation with the Independent Person(s) holds a private consideration meeting to receive complaints against co-opted or elected members in accordance with the arrangements governing the Code of Conduct. 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 2020/21 has seen the Monitoring Officer receive 22 complaints, an increase of 7 when compared against the previous year. The 22 complaints received in 2020/21 related to members at 10 authorities.
8. The Governance Committee Hearing Panel was not called upon to meet during 2020/21. In accordance with Annex 1 of the Arrangements, it is reported that there was one decision of Informal Resolution agreed in respect of Ringwould-with-Kingsdown Parish Council.
9. The Committee considered the effectiveness of Internal Audit by reviewing the annual assessment of the Strategic Director (Corporate Resources) (S151 Officer) and the 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
Electoral Registration and Election Management	Substantial
East Kent Housing – Rent	Substantial
Car Parking and Enforcement	Substantial
East Kent Housing – Employee Health and Safety	Limited
East Kent Housing – Repairs, Maintenance and Void Property Management	Substantial/ Reasonable/ Limited
EK Services – Housing Benefit Quarterly Testing – Quarters 3 and 4 2019/20	Not applicable
Members’ Allowances and Expenses	Substantial
Statutory and Discretionary Disability Grants	Substantial
Dog Control Services	Substantial
EKHR – Payroll	Reasonable
EKHR – Benefits in Kind	Reasonable/ Limited
Cemeteries	Substantial
EKHR – Disclosure and Barring Service Checks	Limited
Civica – Housing Benefits Subsidy	Substantial
Civica – Housing Benefits Overpayments	Substantial
Dover Leisure Centre Project – Post Implementation Review	Not applicable
Compliance with GDPR and home working implications	Not applicable
COVID-19 Business Grant Fraud Data Match	Not applicable

Audit Area	Assurance Level
Civica – Housing Benefits Quarterly Testing Quarters 1 and 2 2020/21	Not applicable

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

Audit Area	Original Assurance level	Revised Assurance level
Income	Substantial/Reasonable	Substantial
Creditors & CIS	Substantial	Substantial
East Kent Housing – Tenant Health & Safety (Lifts)	No	No
EK Services – PCI - DSS	Reasonable/Limited	*Reasonable/Limited
Community Safety	Substantial	Substantial
Print, Media and Postage	Reasonable	Reasonable
EKS – PSN Compliance	N/A	N/A
East Kent Housing – Tenants’ Health and Safety – Lifts	No	Reasonable
East Kent Housing – Tenants’ Health and Safety – Fire Safety	No	Limited
EKS Housing Benefit Appeals	Substantial	Substantial
Members’ Allowances and Expenses	Substantial	Substantial
Dover Museum and Visitor Information Arrangements	Reasonable	Reasonable
EKHR – Absence Management	Reasonable	Reasonable

* EKS PCI-DSS (DDC) The assurance level in respect of PCI-DSS is Reasonable Assurance for the main processes and level of compliance, but Limited for the one department that is non-compliant.

- The impact of the Covid 19 pandemic has resulted in delays in the Statement of Accounts production process. Additional to this, the pandemic has created delays for Grant Thornton with audit timescales across the country. Therefore the 2019/20 Statement of Accounts has not yet been presented to the committee and is currently scheduled to in June 2021.

Work Programme for 2021/22

2021/22 Governance Committee	
Date *	Main Agenda Items
June 2021	Internal Audit Annual Report Internal Audit Quarterly Progress Report Quarterly Treasury Management Report Statement of Accounts 2019/20 Grant Thornton's Quarterly update
<i>July 2021</i>	<i>This scheduled meeting will be cancelled if not required</i>
September 2021	Internal Audit Quarterly Progress Report Grant Thornton's Quarterly update Review of the Constitution Review of Member Code of Conduct Annual Debt Collection Reports Quarterly Treasury Management Report Annual Governance Assurance Statement
December 2021	Internal Audit Quarterly Progress Report Grant Thornton's Quarterly update Statement of Accounts 2020/21 Quarterly Treasury Management Report Corporate Complaints update
March 2022	Internal Audit Annual Plan 2022/23 Internal Audit Quarterly Progress Report Grant Thornton's Quarterly update Quarterly Treasury Management Report Risk Management and Value for Money Update Annual Governance Assurance Statement Action Plan – progress report

* Meeting dates to be confirmed at Annual Council on 19 May 2021.

As a result of the Covid-19 pandemic some items within the Work Programme for 2021/22 have been moved to later in the year. In accordance with further amendments to The Accounts and Audit (England) Regulations 2015, the Annual Governance Assurance Statement and the Statement of Accounts (in respect of financial year 2020/2021) must be published by 30 September 2021. However, the current timetable from Grant Thornton for 2020/21 indicates a late audit process for the Statement of Accounts and therefore the approval of the Accounts is planned for December 2021. Grant Thornton's report to the June committee meeting will provide an update on this matter.