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Minutes of the meeting of the **GOVERNANCE COMMITTEE** held at the Council Offices, Whitfield on Thursday, 30 September 2021 at 6.00 pm.

Present:

Chairman: Councillor D Hannent

Councillors: S S Chandler
S H Beer
D A Hawkes
S J Jones
P D Jull
P Walker

Officers: Head of Finance and Investment
Head of Governance and HR
Deputy Head of Audit Partnership (East Kent Audit Partnership)
Accountant (Capital and Treasury)
Democratic Services Officer

1 APOLOGIES

There were no apologies for absence received from Members.

2 APPOINTMENT OF SUBSTITUTE MEMBERS

There were no substitute members appointed.

3 DECLARATIONS OF INTEREST

There were no declarations of interest made by Members.

4 MINUTES

Subject to an amendment to the resolution at (a) and (b) of agenda item six to read 'note' the Minutes of the meeting held on 29 July 2021 were approved as a correct record for signing by the Chairman.

5 QUARTERLY INTERNAL AUDIT UPDATE REPORT

The Deputy Head of Audit Partnership (East Kent Audit Partnership) (EKAP) introduced the Quarterly Internal Audit Update report to the Committee which provided a summary of the work completed by the EKAP to 31 August 2021.

There had been one internal audit assignment completed during the period since the last meeting of the Committee in July. EKAP were pleased to report the significant increase in assurance levels for Tenant Health & Safety, which was concluded Reasonable assurance overall. Of the eight areas within the service tested, four areas received substantial assurance and three reasonable assurance. Lifts were concluded as receiving no assurance as there hadn't been suitable supervision of the lifts (of which there were six within the district) maintenance. This had been raised with officers and the lift maintenance contractor to rectify the defects and EKAP were confident these would be controlled quickly.

Up to 31 August 2021, 57% of the audit plan had been completed, which was significantly ahead of schedule. It was expected that by March 2022, 99% of the plan would be completed.

RESOLVED: That the Quarterly Internal Audit Update report and the significant improvements in the housing service be noted.

6 TREASURY MANAGEMENT YEAR END REPORT 2020/21

The Head of Finance and Investment presented the Treasury Management Year End report 2020/21 to the Committee. The report provided details of the Council's treasury management for the year ended 31 March 2021. A summary of the report provided Members with details of the Council's investment return, which for the period to March was 2.61% which outperformed the benchmark by 2.58%. An update to the report was provided that corrected the total interest and dividends income received for the year to £1,615k, which was £135k less than the original budget estimate.

A question was raised concerning the recent fine imposed on Grant Thornton and in response the Head of Finance and Investment advised that Grant Thornton's public sector work was separate from its private sector work. The Council did not have any concerns at this time with Grant Thornton being our auditor.

Members discussed the arrangements for project management and were advised that while officers were responsible for the implementation of projects, Members were responsible for all decisions in respect of the projects that were not delegated to officers.

The Head of Finance and Investment advised in response to questions concerning the Council's investment arrangements that the council was working with Arlingclose to review its investment portfolio. The finance team managed investments on a week-to-week basis. The Council did not have an ethical investment policy, but it would review ethical investment opportunities in consultation with Arlingclose.

RESOLVED: That the Treasury Management Year End Report 2020/21 be received and noted.

7 TREASURY MANAGEMENT REPORT QUARTER ONE 2021/22

The Head of Finance and Investment presented the Treasury Management Quarter One 2021/22 report to the Committee. Members were advised the Council's investment return for the period to 30 June was 2.18% and had remained within its Treasury Management guidelines and complied with the Prudential Code guidelines during the period.

RESOLVED: That the Treasury Management Quarter One 2021/22 report be noted.

8 2020/21 ANNUAL GOVERNANCE ASSURANCE STATEMENT

The Head of Governance and HR introduced the 2020/21 Annual Governance Assurance Statement (AGAS) to the Committee. The Council was required to review its systems of internal control and processes annually and Members were

asked to accept the AGAS alongside the 2020/21 Accounts, which were now required to be approved by 30 September 2021, later than normal due to the Covid-19 pandemic.

Members were directed to the report and the significant issues and improvements during the year, which included significant concerns over the performance of East Kent Housing and, that after consultation, led to the management of the Council's housing stock being brought back in house. The shared HR service had been dissolved and was brought back in house on 1 September 2021.

Members discussed the State of the District report that had previously been produced annually and had proved useful to councillors. Since it had become a rolling report, and only reporting changes at ad-hoc periods, Members were keen for the annual report to be re-instated. The Head of Governance and HR would raise this with the Head of Leadership Support, who was responsible for the production of the report.

- RESOLVED:
- (a) That the Governance Committee accept the Annual Governance Assurance Statement alongside the 2020/21 Statement of Accounts.
 - (b) That the Head of Leadership Support be advised of the request of the Governance Committee for the State of the District report to be re-instated and produced annually.

The meeting ended at 6.41 pm.