



Annual Report 2021/22

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), Head of Governance & HR and the work of Internal and External Audit together support the Committee in forming their opinion of the financial statements. In July 2021 the Committee reviewed the draft financial statements for 2019/20 and resolved that upon completion of the audit the Statement of Accounts for 2019/20 be approved and signed by the Chairman of the committee. However, the audit process undertaken by Grant Thornton (the external audit provider) has not yet been completed, and completion is currently anticipated by the end of May 2022. No specific concerns have been raised by Grant Thornton, but they have not drawn their work to a conclusion. As the closing figures for 2019/20 are the opening figures for 2020/21 the 2020/21 financial statements are awaiting the completion of the 2019/20 audit before they can be completed and published.

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 & HR 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 2021 to 31 March 2022 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 & HR, 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 & HR

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 2021/2022

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 September 2021. There was therefore a delay to the usual timetable in presentation of the statement for approval. The Council's Corporate Management Team accepted the 2020/21 Annual Governance Assurance Statement and authorised the Chief Executive to sign it following consultation with the Council's S151 Officer and Monitoring Officer. On 6 September 2021, Cabinet considered the 2020/21 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 30 September 2021.
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 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 2021 to 31 March 2022 has seen 277 corporate complaints processed through the Council's formal complaints procedure. This is an increase of 137 from the previous financial year. The service areas which saw the majority of the increase in the number of formal complaints were waste services from 19 in 2020/21 to 120 in 2021/22 and the housing manager and repairs services which in total increased from 19 to 43 (although it must be borne in mind that this was a full year as opposed to the previous figures which would have been from October 2020).
4. The Local Government and Social Care Ombudsman dealt with 15 complaints and enquiries against the Council during the 2020/21 municipal year, four of which were upheld. Data relating to the municipal year 2021/22 will be available from the Local

Government and Social Care 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 2021/22 has seen the Monitoring Officer receive 23 complaints, an increase of 1 when compared against the previous year. The 23 complaints received in 2021/22 related to members at 7 authorities, a decrease from 10 authorities the previous year.
8. The Governance Committee Hearing Panel was not called upon to meet during 2021/22. In accordance with Annex 1 of the Arrangements, it is reported that there were a total of three decisions of Informal Resolution agreed in respect of Members at Deal Town Council, Walmer Town Council and Sandwich Town 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
Receipt and Opening of Tenders	Substantial
Environmental Protection Complaints	Substantial
Treasury Management	Substantial
EKS Key Performance Indicators	Substantial
CCTV	Substantial
EKS ICT Disaster Recovery	Reasonable
Planning Enforcement	Reasonable
Land Charges	Reasonable
Ottaway House Project – Post Implementation Review	Not Applicable
HRA Stock Reconciliation	Not Applicable
EKS/Civica – Housing Benefit Quarterly Testing (2020-21 Quarter 4)	Not Applicable
Kearsney Abbey Project – Post Implementation Review	Not Applicable
Tenant Health and Safety	Reasonable
EKHR – Payroll	Substantial
Officers’ Code of Conduct	Reasonable
EKS – Software Licensing	Reasonable/ Limited
Licensing	Reasonable

Audit Area	Assurance Level
Capital	Substantial
EKS/Civica – Council Tax	Substantial
EKS/Civica – Housing Benefits Payments	Substantial
Playgrounds	Reasonable
Climate Change – Position Statement	Not Applicable
EKS – Housing Benefit Quarterly Testing 2021/22 – Quarters 1 and 2	Not Applicable
Lessons Learned Review	Not Applicable

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

Audit Area	Original Assurance level	Revised Assurance level
Statutory and Discretionary Disability Grants	Substantial	Substantial
Cemeteries	Reasonable	Reasonable
Risk Management	Reasonable	Reasonable
Car Parking and Enforcement	Substantial	Substantial
Counter Fraud Arrangements	N/A	N/A
Dog Control Service	Substantial	Substantial
Members' Code of Conduct and Standards Arrangements	Substantial	Substantial
EKHR – Employee Benefits in Kind	Reasonable/ Limited	Reasonable/ Limited
CCTV	Substantial	Substantial
Let Commercial Properties and Concessions	Reasonable	Reasonable
Dover Leisure Centre – Project PIR	N/A	N/A
Planning Enforcement	Reasonable	Reasonable
Land Charges	Reasonable	Reasonable
Environmental Protection Service Complaints	Substantial	Substantial
Tenant Health and Safety	No	Substantial
EKS – ICT Software Licensing	Reasonable/ Limited	Reasonable

10. In July 2021 the Committee reviewed the draft financial statements for 2019/20 and resolved that upon completion of the audit the Statement of Accounts for 2019/20 be approved and signed by the Chairman of the committee. However, the audit process undertaken by Grant Thornton (the external audit provider) has not yet been completed, and completion is currently anticipated by the end of May 2022. No specific concerns have been raised by Grant Thornton, but they have not drawn their work to a conclusion. As the closing figures for 2019/20 are the opening figures for 2020/21 the 2020/21 financial statements are awaiting the completion of the 2019/20 audit before they can be completed and published.

Work Programme for 2022/23

2022/23 Governance Committee	
Date *	Main Agenda Items
June 2022	Internal Audit Annual Report Internal Audit Quarterly Progress Report Quarterly Treasury Management Report Statement of Accounts 2019/20 Grant Thornton's Quarterly update
September 2022	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 2022	Internal Audit Quarterly Progress Report Grant Thornton's Quarterly update Statement of Accounts 2020/21 Quarterly Treasury Management Report Corporate Complaints update
March 2023	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 18 May 2022.

As a result of the continuing effects of the Covid-19 pandemic, some items within the Work Programme for 2022/23 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 2022. 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 2020/21 Accounts is planned for December 2022 and dates for the audit of the 2021/22 audit process have not yet been confirmed by Grant Thornton. Grant Thornton's report to the June committee meeting will provide an update on this matter.