

Dover District Council

Annual Governance Assurance Statement

1 APRIL 2016 TO 31 MARCH 2017

1. **WHAT WE ARE RESPONSIBLE FOR**

We are responsible for ensuring that our business is conducted in line with the law and proper accounting standards, and for using public money economically, efficiently and effectively. We have a duty under the Local Government Act 1999 to continually review and improve the way we work and at the same time have regard to a combination of economy, efficiency and effectiveness.

In order to meet our responsibility we have in place proper arrangements for overseeing what we do and this is called Governance. These arrangements make sure that we do the right things in the right way, that our services reach the right people and that we are open, honest and accountable in the way that we deliver those services. This all contributes to our sound system of governance

We have approved and adopted a Local Code of Corporate Governance and a copy of this is available on our website at <http://www.dover.gov.uk/Corporate-Information/CorporateGovernance.aspx>.

2. **THE AIM OF THE GOVERNANCE FRAMEWORK**

The Governance Framework details the systems, processes, culture and values that we are controlled by and which we are answerable to. It also shows what we get involved with and how we engage with the community. It also shows how we monitor what we are achieving so that we can deliver services that are appropriate and value for money.

The system of internal control is an important part of the framework and is designed to manage risk to a reasonable level. It cannot remove all risk of failure to achieve policies and aims and can only provide reasonable protection. The system of internal control is based on an ongoing process designed to:

- Identify and prioritise anything that could prevent us from achieving our policies and aims
- Assess how likely it is that identified risks might happen and what the result would be if they did
- Manage those risks efficiently, effectively and economically

The Governance Framework describes what has been in place at Dover District Council for the year ended 31 March 2017 and up to the date of approval of the Council's accounts.

3. **OUR GOVERNANCE FRAMEWORK**

Our Governance Framework is underpinned by seven core principles and supported by our Corporate Plan as well as many systems, policies, procedures and operations, which together ensure that the intended outcomes for our community and stakeholders are defined and achieved. Good governance is dynamic, and Dover

District Council is committed to improving governance on a continuing basis through a process of evaluation and review.

The key features are:

(a) **Our Core and Supporting Principles**

The seven core principles are taken from the International Framework: *Good Governance in the Public Sector* and help this Council demonstrate good governance. Each of these principles translates into a range of specific requirements and they are also reflected in this Corporate Governance Local Code:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- B. Ensuring openness and comprehensive stakeholder engagement.
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes.
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- F. Managing risks and performance through robust internal control and strong public financial management.
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

(b) **Our Corporate Plan**

This is our main strategic document providing a framework for the delivery of our services and providing context for all the other strategies and plans that we have. The Corporate Plan for 2016-2020 is published and is available on the Council's website. The Council approved a new Corporate Plan in March 2016 which continues with the overall direction of travel as the previous version.

The following strategic priorities have been identified in the 2016-2020 Corporate Plan:

- Thriving Economy
- Clean, Green and Safe Environment
- Healthier People and Communities
- Smarter Council

(c) **Business Plans**

The Business Plan is one of the central mechanisms for each Head of Service managing their own area of activity and therefore sits at the centre of the Corporate Governance process. The business plans support the aims of the Corporate Plan which include performance indicators that are used to measure our achievements.

(d) **Our Constitution**

Our Constitution details how we operate, how decisions are made and the procedures, which are to be followed. It also ensures that we work in an efficient and transparent way and that we are accountable to local people. The Monitoring Officer and Solicitor to the Council are responsible for keeping the Constitution under review.

(e) **The Executive**

The Executive are responsible for most decisions and is made up of the Leader and a Cabinet. Major decisions to be taken are published in advance in the Executive's Notice of Forthcoming Key Decisions, and will generally be discussed in a meeting open to the public. All decisions must be in line with our overall policies and budget. Any decisions the Executive wishes to take outside the budget or policy framework must be referred to Council as a whole to decide.

(f) **Corporate Management Team**

The Corporate Management Team comprises the Chief Executive (and Head of Paid Service) with responsibility for Regeneration and Development; Director of Governance (and Monitoring Officer); Director of Finance, Housing and Community (and S151 Officer) and Director of Environment and Corporate Assets.

Members of Corporate Management Team have a responsibility for the day to day running of each Division of the Council. They must regularly assess their Division's assurance arrangements and provide the Council with the opportunity to keep check on the adequacy of its overall arrangements.

(g) **Governance Committee**

The six (seven from May 2017) 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 also oversees the financial reporting process by considering the final Statement of Accounts. The Chairman provides an Annual Report of the Governance Committee to the Annual Council Meeting

(h) **Overview and Scrutiny**

There are two overview and scrutiny committees who support and monitor the work of the Executive. A "call-in" procedure or addition to the work programme allows scrutiny to review Executive decisions before they are implemented, thus presenting challenge and the opportunity for a decision to be reconsidered. The Monitoring Officer provides an Annual Report of the Scrutiny Committees to the Annual Council Meeting.

(i) **Standards**

The standards of conduct and personal behaviour expected of our members and our officers, our partners and the community are defined in codes of conduct and protocols. These include:

- Members' code of conduct
- Officer Code of Conduct
- An effective performance management system
- Regular performance appraisals for staff linked to corporate and service objectives
- A fraud and corruption policy
- Member/officer protocols
- A Standards Committee. This committee wasn't reappointed from May 2017. The work of this committee has been transferred to the Governance Committee.

The relevant Chairman and the Director of Governance and Monitoring Officer jointly provide an Annual Report of the Standards Committee (ceases for 17/18) and of the Governance Committee to the Annual Council Meeting.

We have effective formal and informal complaints procedures. Complaints of service maladministration are investigated and reported to the Standards Committee and from May 2017 to the Governance Committee. Lessons learned from these complaints are reviewed and acted on.

The Monitoring Officer is responsible for considering allegations of Members breaches of the codes of conduct.

(j) **Our Solicitor**

The Solicitor to the Council provides his opinion on our compliance with our legal obligations.

(k) **Financial procedures and Contract Standing Orders**

We have to ensure that we act in accordance with the law as well as various other regulations. We have developed policies and procedures for our officers to ensure that, as far as are possible, they understand their responsibilities both to the Council and to the public. Two key documents are the Financial Procedure Rules and the Contract Standing Orders, which are available to all officers via the Council's Intranet, as well as available to the public as part of the Constitution. The Responsibility for Functions (Scheme of Officer Delegations) were reviewed during 2016/17 and the changes were considered and approved by the Governance Committee and Council.

(l) **Financial Management**

Our financial management arrangements conform with the requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government. In addition to the Financial and Contractual procedure rules contained within the constitution, in order to maintain its financial management the Council operates budgetary control procedures which are used in conjunction with a Medium Term Financial Plan (MTFP).

Responsibility for ensuring that an effective system of internal financial control is maintained rests with the Section 151 Officer. The systems of internal financial control provide reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected quickly.

Internal financial control is based on a framework of management information, financial regulations and administrative procedures, which include the segregation of duties, management supervision and a system of delegation and accountability. On-going development and maintenance of the various processes may be the responsibility of other managers.

In particular, the process includes:

- The setting of annual budgets;
- Producing the Medium Term Financial Plan
- Monitoring of actual income and expenditure against the annual budget;
- A mid-year review of the annual budget;
- Setting of financial and performance targets, including the use of the prudential code and associated indicators;
- Quarterly reporting of the Council's financial position to Members;
- Clearly defined capital expenditure guidelines;
- Treasury Management Strategy
- The monitoring of finances against a Medium Term Financial Plan;
- Managing risk in key financial service areas.
- A continuous and effective internal audit.

Through our budget monitoring processes we are able to ensure that financial resources are being used to their best advantage, this includes quarterly management reporting to the Corporate Management Team and Members.

Financial planning is underpinned by business planning. Increased expenditure in any service area has to be justified to the Corporate Management Team, and where necessary approved by the Executive. Corporate Management Team is tasked with prioritising resources to ensure that the objectives within Corporate Plan are supported by the individual business plans, and that improvements are in line with corporate objectives.

(m) **Policies**

Corporate policies on a range of topics such as Equality, Information Governance and Data Protection are all subject to internal review. We keep all staff aware of changes in policy, or documentation through a system called NETconsent. The corporate training needs are identified each year and appropriate training for all or key members of staff is provided.

(n) **Risk**

The risk management strategy, which forms part of the Corporate Governance Local Code, shows the role both Members and Officers have in the identification and minimisation of risk. Risks are recorded in a Corporate Risk Register and are then subject to regular review.

(o) **Service Assurance**

A Service Assurance Statement is produced annually by all Directors of this Council and of Shared Services detailing their assessment of their services. They are required to give assurance that risks have been identified, that sound business

arrangements operate in their service areas, and that the service is subject to monitoring and review in order to assess performance.

(p) **Performance Management Framework**

Progress towards the achievement of our objectives is monitored through our Performance Management Framework. A quarterly Performance Report is produced and reviewed by Corporate Management Team, by Cabinet and by the Scrutiny (Policy and Performance) Committee.

(q) **Internal Audit**

The East Kent Audit Partnership Internal Audit Team reports to the Director of Finance, Housing and Community. They operate under a Charter, which defines their relationship with our officers, and the Governance Committee. Their main responsibility is to provide assurance and advice on our internal control systems to the Corporate Management Team and Members. Internal Audit reviews the adequacy, reliability and effectiveness of internal control and recommends improvements where appropriate. It also supports the development of systems, providing advice on risk and control. Effective internal controls are an important part of the Corporate Governance process. Through their audit assurance work, internal audit provide an opinion on the effectiveness of the systems of internal control.

As part of the annual review of governance arrangements and in particular the System of Internal Control, we undertake an annual review of the effectiveness of the system of internal audit.

(r) **External Audit**

The work is currently undertaken by Grant Thornton, who are required to deliver their audit work in line with Local Audit and Accountability Act 2014 and in accordance with the Code of Practice issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General in April 2015.

(s) **Core Strategy and Local Plan**

The Core Strategy is the overarching statutory planning document for the District and was adopted by the Council in February 2010. The Core Strategy identifies the overall economic, social and environmental objectives for the District and the amount, type and broad location of development that is needed to fulfil those objectives. The 2014/2015 Authority Monitoring Report signalled the need to review key parts of the Council's Adopted Core Strategy evidence base. Two important studies have been completed: The Strategic Housing Market Assessment (SHMA) and the Economic Development Needs Assessment (EDNA); both of these studies have indicated that there is a strong case to review the Council's Adopted Core Strategy and the Adopted Land Allocations Local Plan (LALP). On 1 March 2017, Cabinet approved the commencement of a Local Plan Review.

(t) **State of the District Report**

This report is the annual backward look at the state of the district, highlighting key information under the headings of: Population Profile; Housing; Economy, Business and Employment; Budget, Funding and Investment; Education and Skills; Regeneration Delivery, Transport and Infrastructure; Health and Wellbeing; Deprivation and Poverty; Community Safety and Quality of Life.

Some national information is not collected annually. In addition, periodically the process of capturing information is changed, this in turn makes year-on-year comparisons and trends difficult to assess. The report is published on our website and revised annually (or as soon as the relevant information is made available to the Council).

(u) **Communication and Consultation**

Strategies are in place. We have active Twitter and Facebook accounts, enabling the Council to communicate effectively with our communities and also enabling members of the public to communicate their views on a wide range of matters. In 2015 the Council launched its 'Keep Me Posted' email alert service which enables members of the public to subscribe to email messages from the Council on a wide range of topics. Subscribers to the service can choose from as many topics as they wish and can update their preferences as often as they like.

(v) **Equality**

As part of our equalities responsibilities, we publish our equality objectives and progress against the targets to ensure that all groups in our community have a voice, can be heard and know how we make our decisions. A revised equality policy was adopted by Cabinet in March 2016 and our latest performance update was published on our website in March 2017.

(w) **Whistleblowing**

A confidential reporting hotline is in place to enable internal and external whistleblowing. Informants are requested to be open in their disclosure, but it is recognised that on occasions informants will wish to remain anonymous. There are also processes in place for staff to report through their line managers or East Kent Audit.

(x) **Employment Management**

The Employment Management Group considers all requests to fill staff vacancies. The group is chaired by the Director of Governance and supported by the Head of Finance, Head of Community Services and the EK Human Resources Business Partner. Their recommendations are considered by the Head of Paid Service who provides the final decision as to which posts can be filled.

(y) **Partnerships**

Partnership evaluation criteria have been established to help ensure that all key governance criteria are incorporated into new and existing partnerships.

4. REVIEW OF EFFECTIVENESS OF THE GOVERNANCE FRAMEWORK

We have a responsibility for conducting, at least annually, a review of the effectiveness of our governance framework including the system of internal control. This review is informed by the ongoing monitoring and review by the Director of Governance, EK Internal Audit Partnership and the Head of the Audit Partnership's Annual Report, the work of our Directors and Heads of Services and their managers who have responsibility for the development and maintenance of the governance environment. This review is also informed by the findings and reports of our external auditors together with any other review agencies or inspectorates.

(a) **The Director of Governance and Monitoring Officer has responsibility for:**

- Monitoring the Constitution and keeping it up to date
- Overseeing and monitoring the Corporate Governance Local Code
- Maintaining and updating the code if required by best practice
- Reporting annually to members on performance and compliance with the code
- Ensuring ethical standards and conduct are met

(b) **The Director of Finance, Housing and Community has responsibility for:**

- Publishing financial information and statements accurately and reliably.
- Confirmation that resources are managed efficiently and effectively.

(c) **The Director of Governance and Monitoring Officer and the Director of Finance, Housing and Community have responsibility for:**

- The overall review of the internal control opinion and framework evidence, including service assurance statements, the audit review of Corporate Governance, the Constitutional review, Performance reporting, Risk management arrangements and the individual audit and risk management assessments.
- Review of the Effectiveness of Internal Audit.
- The External Auditor's Annual Audit and Inspection Letter, service assessments and other associated reviews and ensuring that they are acted upon.

(d) **All Directors have responsibility via a Service Assurance Statement to ensure that:**

- Risks have been identified. They are recorded and monitored in accordance with the Council's Risk Management Strategy.
- Staff are fully aware of the requirements of their job, and have access to the appropriate Council rules and policies to assist them.
- Internal and External Audit reports and recommendations have been acted on.
- Reports from other review agencies have been acted on.
- Business arrangements are conducted in accordance with the law and proper standards.
- Public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- The service has in place appropriate management and reporting arrangements to enable it to satisfy itself that its approach to Corporate Governance is both adequate and effective.
- A statement of assurance that improvement plans exist to rectify any acknowledged deficiency.

(e) **Solicitor to the Council has responsibility:**

- Via his annual statement to give his opinion on the Council's compliance with relevant laws and regulations, and its legal obligations and requirements

(f) **Cabinet has responsibility for:**

- All Executive Decisions in respect of functions delegated to it by the Leader of the Council
- Setting robust and challenging targets and
- Monitoring the achievement of key priorities

(g) **Council has responsibility for:**

- Agreeing or amending the Policy Framework
- Agreeing or amending the budget, including the borrowing or capital expenditure strategy and setting the Council Tax

(h) **Scrutiny (Policy and Performance) Committee has responsibility for:**

- Scrutiny of budgets and major policies
- Monitoring the achievement of key priorities
- Scrutiny co-ordination

(i) **The Governance Committee has a responsibility for:**

- Ensuring effective internal audit and internal control arrangements
- Receiving the annual Internal Audit Programme of work
- Receiving quarterly updates from the Head of the Audit Partnership on the assurance which can be placed against various systems and processes during the year
- Reviewing the annual assessment at the year end.
- Receiving the annual review of internal control
- Receiving the annual constitutional review
- Reviewing risk management arrangements
- Receiving Quarterly Treasury Management Reports
- Receiving the Annual Statement of Accounts

(j) **Internal Audit has responsibility to:**

- Provide an independent annual statement on the systems of internal control, highlighting areas of concern
- Report on the level of assurance in respect of the Council's internal control systems
- Provide an overall Assurance Statement from the Head of the Audit Partnership. This is compiled from the Internal Audit work programme and a review of this Council's Corporate Governance arrangements.

5. **THIS YEAR'S REVIEW**

(a) **Council**

Article 15 of the Council's Constitution makes provision for the regular review of the Constitution by the Monitoring Officer. During 2016/17 the Responsibility for Functions and Proper Officer Appointments were reviewed. The key focus of the next review due in 2017/18 will be improving transparency and accessibility reflecting changes to the Council's organisational structure and the collation of changes made by decision making bodies such as Cabinet or council during the course of the previous year.

(b) **Cabinet**

Key Executive decisions were considered by the Cabinet, in particular relating to the budget and medium term financial plan, and the delivery of key regeneration priorities.

The Council's Quarterly Performance Report was received and reviewed quarterly. This examines our performance against agreed performance targets and our key priorities.

(c) **Scrutiny**

The Council's key priorities and Performance Indicators were reviewed regularly and challenged if necessary.

The Annual Report of the work of the Scrutiny Committees for 2016/17 was presented to the Annual Council Meeting on 17 May 2017. This identified sound governance arrangements, including an effective scrutiny process, which underpins the achievement of all the Council's corporate objectives.

(d) **Governance Committee**

The Governance Committee received quarterly updates from the Head of East Kent Audit Partnership on the assurance which can be placed against various systems and processes during the year, including reviews of internal controls, along with the annual assessment. The Committee kept a check on those areas that have not achieved expected levels of audit assurance.

This Committee also reviewed the effectiveness of the Council's risk management arrangements.

The Director of Governance and Solicitor to the Council are responsible for ensuring that the Constitution is reviewed regularly. It is not practical to undertake a full yearly review, so specific areas are selected each year. During 2016/17 a review was undertaken of the Responsibility for Functions and Proper Officer Appointments parts of the Constitution. The Governance Committee recommended the changes for approval by the Council. All are documented on our website.

The Annual Report of the work of the Governance Committee for 2016/17 was presented to the Annual Council Meeting on 17 May 2017. This gave a positive opinion on the system of internal control. The Governance Committee continued to be assured of the integrity and reliability of data held in financial statements. 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 Director of Finance, Housing and Community, Director of Governance and Director of Environment and Corporate Assets and the work of Internal and External Audit together supported the Committee in forming their opinion of the financial statements, enabling them to agree to sign the 2015/16 accounts in accordance with the regulations. For this year, the same process provides the committee with the necessary assurances to approve the 2016/17 accounts at its meeting on 29 June 2017.

The submission of this Annual Report continues to enhance the effective communication of our governance processes.

(e) **Standards Committee**

The Standards Committee received quarterly reports on the progress of formal service complaints against the Council and lessons learned from those complaints.

There were no findings against Dover District Council from the Local Government Ombudsman in 2016/17.

Changes adopted by Council in January 2014, included a provision which allows Members to declare non-financial interests. The Kent Model Code of Conduct continues to be regularly reviewed in order to ensure that it remains fit for purpose. The ability to declare a non-financial interest has been welcomed by Members and has been utilised on several occasions to ensure transparency in decision-making.

During 2016/17 the Monitoring Officer received twelve complaints, ten cases related to Parish Councillors and two related to a District Councillor. No cases were subject to further investigation and the Standards Committee Hearing Panel did not meet during 2016/17 to conduct a hearing into a complaint that had been the subject of an investigation.

During the municipal year 2016/17 there were no requests for dispensation.

At the Annual Meeting of the Council on 17 May 2017, it was resolved that the Council no longer appoints a separate Standards Committee and that the functions of the Standards Committee are transferred to the Governance Committee and the revised functions of the Governance Committee are incorporated into the Council's Constitution.

(f) **Review of Internal Audit**

The effectiveness of internal audit is monitored jointly by the Monitoring Officer and the Section 151 Officer through:

- Quarterly review meetings with the Head of Internal Audit
- Sign off of the Audit Plan
- Review of the internal audit annual report
- Attendance at Governance Committee
- Review of individual audit reports
- Meetings with the S151 officers of the other partners

(g) **The Work of Internal Audit**

Based on their work undertaken during the year, the Head of the Audit Partnership considers that there are no major areas of concern, which would give rise to a qualified audit statement regarding the systems of internal control.

The report also considers that the Council can have very good level of assurance in respect of all of its main financial systems and a good level of assurance in respect of the majority of its Governance arrangements.

Many of the main financial systems, which feed into the production of the Council's Financial Statements, have achieved a substantial assurance following audit reviews. The report goes on to state that the Council can be very assured in these areas and that this position is the result of improvements to the systems and procedures over recent years and the willingness of management to address areas of concern that have been raised.

There was one audit review where only a limited assurance level was given, with 94% of the reviews accounting for substantial or reasonable assurances on the system of internal control in operation at the time of the review. There were no reviews assessed as having no assurance. During 2016/17 Internal Audit raised and reported to the quarterly Governance Committee meetings 70 recommendations, and whilst 77% were in the High or Medium Risk categories, none were so significant that they needed to be escalated at the time.

There were no fraud investigations carried out during 2016/17.

(h) **External Reviews**

There were no external reviews held this year. However, the Chartered Institute of Public Finance and Accountancy developed and then published in April 2017 a new 2016 Edition of the Delivering Good Governance in Local Government Framework. This Council has set out its commitment to the core and sub principles in a revised Corporate Governance Local Code which Council will be requested to adopt on 19 July 2017.

(i) **Training**

Comprehensive Training is provided at the outset for the new Council and this is refreshed during the four year term, to ensure that the councillors have the skills and expertise to make sound and effective decisions.

The officer performance appraisal includes a personal Improvement plan, where training and development needs are discussed and agreed. These are provided annually to the Director of Governance to help inform the training needs of the organisation, some of which will be delivered corporately via the Corporate Training Plan. In 2017/18 Heads of Service, Managers and Team Leaders are being offered the opportunity to gain an Institute of Learning and Management qualification, to help enhance their skills and knowledge as leaders in the organisation.

(j) **Members Code of Conduct**

The Principles of Good Conduct are contained within the Member Code of Conduct, minor changes including the inclusion of the provision for Voluntary Announcements of Other Interests were adopted by the Council in February 2014. During 2016/17 arrangements were made to advertise for the position of Independent Member, as the term of office for the current incumbent is due to expire in July 2017.

6. **SIGNIFICANT GOVERNANCE ISSUES DURING THE YEAR**

- (a) This Council has set out its commitment to the core and sub principles in a revised Corporate Governance Local Code. A detailed review of the actions taken to comply with the new principles has been undertaken and fully documented.

- (b) The Annual Reports of the Scrutiny, Governance and Standards Committees, provide a positive statement and opinion regarding the governance arrangements and the effectiveness of the internal control environment operating across this Council.
- (c) There were eight cases reviewed by the Local Government Ombudsman during 2016/17 but no maladministration was found.
- (d) The East Kent Corporate Information Governance Group finalised the Information Governance Framework and the associated suite of Information Governance Policies (16 in total). The new and revised policies were subject to staff consultation in the autumn of 2016, before adoption by the Cabinet on behalf of this Council in January 2017. These will be kept under regular review by the group.
- (e) The Notice of Forthcoming Key Decisions continues to publish key decisions to be taken by the Cabinet. Cabinet Reports are considered by Finance, Legal and Equalities Officers and then by CMT to ensure that outcomes are consistent with the Council's corporate direction.
- (f) Elections for the Police and Crime Commissioner were held on 5 May 2016 with the Chief Executive again being appointed as the Police Acting Returning Officer for Kent. This appointment meant that the Dover was responsible for compiling and the results across the whole County.
- (g) The EU Referendum was held on 23 June 2017 with a high turnout that impacted on the polling stations and election counts. To successfully deliver the election and referendum efficiently and effectively required the involvement of most Council staff on the days, whilst a significant number of key staff were seconded to election duties, before the dates. In addition to these two major elections, there were 12 District and/or Parish by-elections that were held during 2016/17.
- (h) A suite of performance indicator targets were approved by Cabinet at the start of the 2016/17 financial year and were then measured via the quarterly performance reports.
- (i) Following a service review, Cabinet approved that the Parks and Open Spaces service be brought back in house from 1 April 2017 to provide a more focused, efficient and effective service that delivers the priority outcomes required by the Council.
- (j) As part of the review of the East Kent Services Collaboration Agreement, the delegations to the East Kent Services Committee were amended to establish revised governance arrangements for East Kent Services and East Kent Human Resources.
- (k) The Council accepted an invitation from Public Sector Auditor Appointments (PSAA) to become a 'opted in authority'. PSAA will appoint an auditor for the Council for each of the five financial years from 1 April 2018.
- (l) The Council approved a Property Investment Strategy together with a supplementary capital budget of £200 million for the acquisition of commercial and residential assets for the economic regeneration and well-being of the District, for investment purposes.
- (m) In September 2016 the Court of Appeal held that the Council had acted unlawfully in its planning committee's failure to give legally adequate reasons in approving a planning application contrary to the recommendation of the planning officer. This is a

somewhat obscure area of the law and the public interest in clarifying it is such that the Supreme Court has granted permission for the Council to appeal the decision. The hearing in the Supreme Court will take place in October 2017.

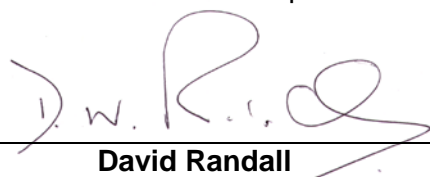
7. **IMPROVEMENTS DURING THE YEAR**

- (a) The Council obtained Public Sector Network (PSN) Compliance for 2016. This included IT Equipment, systems and software upgrades to ensure PSN compliance. Staff and members can work safely and securely from any location.
- (b) The revised East Kent Services Collaboration Agreement with Canterbury City Council and Thanet District Council for EKS and EKHR has been completed.
- (c) The revised Statement of Particulars and a Conditions of Service Handbook, including new and revised policies, was the subject of formal consultation with all staff during the autumn of 2016 and was formally approved by the General Purposes Committee in December 2016. The new policies and procedures came into force on 1 January 2017 and will be kept under review by the Conditions of Service Officer Group.
- (d) A forward looking action plan has been prepared for 2017/18 and this will be kept under regular review by the Director of Governance and reviewed by the Governance Committee at its December 2017 meeting.

8. **OPINION OF THE DIRECTOR OF GOVERNANCE**

I can confirm that the governance arrangements provide and continue to be regarded as fit for purpose in accordance with the governance framework and will ensure that that the implementation is monitored as part of the next annual review.

Signature:: _____



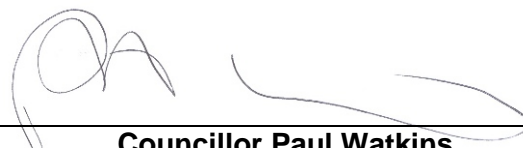
David Randall
Director of Governance

Date: 30/5/17

9. **STATEMENT OF THE LEADER OF THE COUNCIL AND THE CHIEF EXECUTIVE**

We have reviewed the effectiveness of the Council's governance framework and noted the opinion and commitment of the Director of Governance. We sign this Annual Governance Assurance Statement on behalf of the Council.

Signature:: _____



Councillor Paul Watkins
Leader of the Council

Date: 12/6/17

Signature:: _____



Nadeem Aziz
Chief Executive

Date: 30/5/17

Governance Assurance Statement Action Plan – Backward Looking

Action Description	Evidenced by	Completed
The corporate plan to be been kept up to date and any necessary update is published	Corporate plan is up to date and published on the website	31/03/17
The Constitution and Code of Conduct are subject to an annual review and updated where applicable	The constitution has been reviewed and amendments agreed by Council	31/03/17
Business Plans prepared and published for each division	Business plans for the forthcoming year completed and returned to Corporate Services	31/03/17
Quarterly performance reports all reviewed by Cabinet and Scrutiny.	Performance reports published on the website.	31/03/17
	Performance reports reviewed by Cabinet and Scrutiny as per minutes published on the Website	31/03/17
Audit reports reviewed quarterly by Governance Committee and follow up reviews undertaken where the audit review show the expected levels of assurance had not been achieved.	Actions in Audit reports followed up	31/03/17
	The Audit Programme is approved by the Governance Committee and quarterly audit reports of the reviews and follow up audit undertaken are all reviewed by Governance Committee	31/03/17
Standards Committee have received reports on the progress of formal service complaints against the Council and lessons learned from those complaints	Standards committee review progress on all formal service complaints at least half yearly. Reports published on website.	31/03/17
Alleged breaches of the Members' Code of Conduct by District, Town and Parish Councillors are considered by the Monitoring Officer in a timely manner	Breaches of the Member Code of Conduct have been considered in a timely manner by the Monitoring Officer throughout the year.	31/03/17
Audit undertake their annual review of the effectiveness of systems of internal control	Audit have completed their annual review of the system of internal control and this forms part of their annual report	31/03/17
All digital service reviews that are planned are undertaken	Digital service reviews were held during the year as planned and changes implemented.	31/03/17
Governance Framework reviewed and any amendments approved	All amendments approved	31/03/17
The provision for clawback of MMI insurance claims is reviewed and is adequate	No further claim, the MMI provision is as per the MMI annual statement	31/03/17
Employee Code of Conduct Developed	Employee code of conduct was developed as part of the revised Conditions of Service and was adopted by the General Purposes Committee in December 2016 and launched on 1 January 2017.	01/01/17

Action Description	Evidenced by	Completed
Officer Training Plan Developed	Corporate Training Needs 2016/17 was developed and delivered	31/03/17
Corporate Information Governance	Development of corporate information and security governance framework and policies for East Kent was delivered by the East Kent Corporate Information Governance Group and adopted by this Council in January 2017.	09/01/17
Audit Panel	At the Governance Committee on 3 December 2015, it was resolved that the Council would opt in to the sector lead approach in accordance with the Local Audit (Appointing Person) Regulations 2015. The Council will be asked to approve this approach during 2016/17.	30/11/16

Governance Assurance Statement Action Plan – Forward Looking

Action Description	Evidenced by	Due
The corporate plan to be been kept up to date and any necessary update is published	Corporate plan is up to date and published on the website	31/03/18
The Constitution and Code of Conduct are subject to an annual review and updated where applicable	The constitution has been reviewed and changes and amendments are agreed by the Governance Committee and Council	31/03/18
Business Plans prepared and published for each division	Business plans for the forthcoming year completed and returned to Corporate Services.	31/03/18
Quarterly performance reports all reviewed by Cabinet and Scrutiny.	Performance reports published on the website.	31/03/18
	Performance reports reviewed by Cabinet and Scrutiny as per minutes published on the Website.	31/03/18
Audit reports reviewed quarterly by Governance Committee and follow up reviews undertaken where the audit review show the expected levels of assurance had not been achieved.	Agreed high risk recommendations following audit reviews are followed up in a timely manner by management	31/03/18
	Quarterly audit reports covering audit reviews and follow up reviews are received by Governance Committee	31/03/18
Governance Committee have received reports on the progress of formal service complaints against the Council and lessons learned from those complaints.	Governance committee review progress on all formal service complaints at least half yearly. Reports published on website.	31/03/18
Alleged breaches of the Members' Code of Conduct by District, Town and Parish Councillors are considered by the Monitoring Officer in a timely manner.	Breaches of the Member Code of Conduct have been considered by the Monitoring Officer throughout the year.	31/03/18
Audit undertake their annual review of the effectiveness of systems of internal control.	Audit have completed their annual review of the system of internal control and the results are built in to their annual report	31/03/18
Governance Framework reviewed and any amendments approved.	All amendments approved by the Governance Committee and Council.	31/03/18
The provision for clawback of MMI insurance claims is reviewed and is adequate.	MMI provision is as per the MMI annual statement	31/03/18
Officer Training Plan Developed	Corporate Training Needs agreed and training plan delivered.	31/03/18
	ILM Training delivered for middle and senior management	
	Induction Training for new starters.	
Corporate Information Governance	Periodic review of the corporate information and security governance framework and policies for East Kent.	31/03/18

Action Description	Evidenced by	Due
Apprenticeship Levy	Compliance with the new Government requirements, including procurement of appropriate training for new apprentices.	31/03/18