

Public Document Pack

Date: 25 August 2015
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GOVERNANCE AND AUDIT COMMITTEE

2 SEPTEMBER 2015

A meeting of the Governance and Audit Committee will be held at **7.00 pm on Wednesday, 2 September 2015** in the Council Chamber, Council Offices, Cecil Street, Margate, Kent.

Membership:

Councillor Munday (Chairman); Councillors: Buckley (Vice-Chairman), Campbell, Collins, Connor, Day, Dexter, Edwards, I Gregory, G Hillman, Larkins and Partington

AGENDA

Item
No

1. **APOLOGIES FOR ABSENCE**

2. **DECLARATIONS OF INTEREST**

'To receive any declarations of interest. Members are advised to consider the advice contained within the Declaration of Interest Form attached at the back of this Agenda. If a Member declares an interest, they should complete that form and hand it to the Officer clerking the meeting and then take the prescribed course of action.'

3. **DRAFT ANNUAL GOVERNANCE STATEMENT** (Pages 1 - 22)

Declaration of Interests Form

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THE DRAFT ANNUAL GOVERNANCE STATEMENT 2014/15

To: **Governance and Audit Committee – 2 September 2015**

By: **Monitoring Officer**

Classification: **Unrestricted**

Summary: **To provide the Governance and Audit Committee with the draft Annual Governance Statement 2014/15.**

For Decision

1.0 Introduction and Background

- 1.1 The annual governance statement is a statutory document which explains the processes and procedures in place to enable the council to carry out its functions effectively.
- 1.2 The statement is produced following a review of the council's governance arrangements and includes an action plan to address any significant governance issues identified.
- 1.3 Governance and Audit Committee will consider this draft AGS and assurance gathering process. The AGS will then be audited and Members made aware of the findings of the audit, which will enable Governance and Audit Committee Members to make an informed decision when approving the final AGS at a future meeting.

2.0 The Present Position

- 2.1 The draft AGS, which is attached at Annex 1, should reflect the corporate governance environment of the council as detailed in the adopted Local Code of Corporate Governance. In essence, the AGS is the formal statement that recognises, records and publishes the council's governance arrangements.
- 2.2 The AGS is a key corporate document, and the Leader and Chief Executive have joint responsibility as signatories for its accuracy and completeness. In order to ensure that the AGS accurately reflects our Governance Framework, a number of sources of assurance are gathered to feed into the preparation of the document. It has been consulted upon with the Leader, Chief Executive / Section 151 Officer and all members of Corporate Management Team.
- 2.3 An action plan will be developed to address the governance issues identified. This will be monitored through the council's monitoring system and an update report will be provided to Governance and Audit Committee on a quarterly basis.

3.0 Process for developing the Annual Governance Statement

- 3.1 The Chief Executive, directors and managers are required to complete an assurance statement which highlights any areas of weakness they perceive within the council. These assurance statements are then collated and significant issues identified are incorporated into the AGS.

- 3.2 Assurances were also sought from other areas within the council such as the Section 151 Officer and the Monitoring Officer regarding the operation of the governance framework. The following key areas also completed an assurance statement on compliance with the council's Performance Management and Data Quality frameworks, Procurement Strategy and Risk Management Strategy, identifying any governance issues that need to be addressed in the forthcoming year.
- 3.3 Statements were provided by the shared service partners we work with on compliance with the governance arrangements in place, and from EKHR in connection with the general principles of good conduct of officers.
- 3.4 The annual reports prepared by the chairs of Overview & Scrutiny Panel and Governance & Audit Committee were also referred to when preparing the AGS.
- 3.5 Assurance has been sought and obtained from the East Kent Audit Partnership. The auditors undertake regular audits on the council's governance arrangements and the control and risk frameworks. Their findings have been incorporated into the council's AGS. Members have previously received an assessment as to the effectiveness of the council's internal audit arrangements which concluded that the audit partnership is delivering an effective internal audit function which ensures that Members are confident with the reliance that can be placed in the auditors assurances on the council's governance arrangements.

4.0 Options

- 4.1 That Members accept the draft Annual Governance Statement 2014/15.
- 4.2 That Members propose changes to the draft Annual Governance Statement 2013/14.

5.0 Corporate Implications

5.1 Financial

- 5.1.1 There are no financial implications arising directly from this report.

5.2 Legal

- 5.2.1 The Accounts and Audit Regulations and other accounting guidance requires the council to follow prescribed formats in the completion of the Annual Governance Statement.

5.3 Corporate

- 5.3.1 The Annual Governance Statement is a corporate document and as such should be owned by all senior officers and members of the authority.

5.4 Equity and Equalities

- 5.4.1 There are no equity or equalities issues arising from this report other than the recommendations actions set out in the action plan.

6.0 Risks

6.1 Failure to accept the AGS will diminish the council's governance arrangements.

7.0 Recommendation

7.1 That Members accept the draft Annual Governance Statement 2014/15.

8.0 Decision Making Process

8.1 This recommendation does not involve the making of a key decision.

8.2 This recommendation is within the Council's Budgetary and Policy Framework and the decision may be taken by the Governance and Audit Committee.

Contact Officer:	Tim Howes, Head of Legal and Democratic Support & Monitoring Officer
Reporting to:	Madeline Homer, Chief Executive

Annex List

Annex 1	Draft Annual Governance Statement 2014/15
Annex 2	Annual Governance Statement Action Plan 2014/15

Corporate Consultation Undertaken

Finance	Nicola Walker, Head of Financial Services
Legal	Tim Howes, Head of Legal and Democratic Support & Monitoring Officer

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Annual Governance Statement 2014/15

1.0 SCOPE OF RESPONSIBILITY

- 1.1 Thanet District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and that funding is used economically, efficiently and effectively. Thanet District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, Thanet District Council is responsible for putting in place suitable arrangements for the governance of its affairs, which facilitate the effective exercise of its functions and include arrangements for the management of risk.
- 1.3 Thanet District Council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) Framework Delivering Good Governance in Local Government. A copy of the Local Code is available on our website or can be obtained from the council offices, Cecil Street, Margate, Kent, CT9 1XZ. This statement explains how Thanet District Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of an Annual Governance Statement.

2.0 THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 The governance framework comprises the systems and processes, and culture and values by which the authority is directed and controlled, together with the activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Thanet District Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at Thanet District Council for the year ended 31 March 2014 and up to the date of approval of the Statement of Accounts.

3.0 METHODOLOGY FOR PREPARING THE ANNUAL GOVERNANCE STATEMENT

- 3.1 The Annual Governance Statement is prepared using a method similar to that used in previous years, including:
 - Managers providing an assurance statement as to the extent and quality of internal control arrangements operating within their departments for the year. The declaration covers a comprehensive list of those systems and procedures which deliver good governance. Managers are asked to declare any weaknesses in their governance arrangements.
 - Directors / Service Managers reviewing the results of those declarations, identifying those issues which are significant or which are common to more than one area and discussing the outcomes with the Portfolio Holder with responsibility for each service area.
 - Assurance statements from the Section 151 Officer, Monitoring Officer and the following key areas: performance management, procurement and risk management identifying any governance issues that have arisen and should be addressed in the forthcoming year.
 - Statements from the shared service partners we work with on compliance with the governance arrangements in place.

- Reviewing the annual reports from Governance and Audit Committee and Overview and Scrutiny Panel.
- Considering the Internal Audit Annual Report and the Section 151 Officer's report on the effectiveness of the internal audit arrangements in place.
- The council's Governance and Audit Committee considers the draft Annual Governance Statement in June and is afforded the opportunity to give its input to the statement and to consider whether it accurately reflects the council's control environment.
- The Governance and Audit Committee approves the Annual Governance Statement in September and it is signed off by the Chief Executive / Section 151 Officer and Leader of the Council.

4.0 THE GOVERNANCE FRAMEWORK

4.1 There are a number of key elements to the systems and processes that comprise the council's governance arrangements, which are set out below.

4.1.1 There is a clear vision of the council's purpose and intended outcomes for citizens and service users that is clearly communicated.

- The Vision for Thanet was adopted by Council in July 2009. This document sets out the future plans for what Thanet will look and be like in 2030. It was consulted on widely with staff and members, the residents' panel, partners and stakeholders.
- The council identified and communicated its aims and ambitions for Thanet in April 2012 for the next four years when a new Corporate Plan was approved. The plan contains eleven priorities which are supported by operational plans.

4.1.2 Arrangements are in place to review the council's vision and its implications for the council's governance arrangements.

- The Corporate Plan will be reviewed annually to take into account progress against the priorities and outcomes of the annual budget setting process. Each review will evaluate and determine if there are any implications for the council's governance arrangements with appropriate amendments being made as necessary.

4.1.3 Arrangements exist for measuring the quality of services, ensuring they are delivered in accordance with the council's objectives and that they represent the best use of resources.

- Performance progress is tracked through monthly monitoring of key performance indicators, service tasks and projects. Progress against the council's Corporate Plan is reported quarterly to Cabinet. Additionally, monthly service reports summarise all key projects, tasks and performance measures specific to each service. The performance framework is operated on Inphase™, a performance management system.
- The Council's data quality framework sets out the Council's requirement that any data used by the authority should be fit for purpose. Fitness for purpose of performance data is assured through the following activity:
 - Challenge of measure definition when new indicators are identified through service planning;
 - Set up of measures at denominator and numerator level to ensure that calculations are not carried out manually;
 - Calculation checking through the data entry process;
 - Manager review of data entered by staff;
 - Training provided to managers and staff on how to use the data entry and reporting system;
 - Challenge through the target setting process;
 - Challenge through monthly monitoring of performance data;
 - Advice and support provided to staff and managers as requested on the capture and use of management data.

- 4.1.4 The roles and responsibilities of the executive, non-executive, scrutiny and officer functions are clearly defined, with clear delegation arrangements and protocols for effective communication.
- Roles and responsibilities for Cabinet, Council, Overview and Scrutiny and all committees of the council, along with officer functions are defined and documented, with clear delegation arrangements and protocols for effective communication within the council's Constitution. The Constitution is regularly reviewed and updated.
- 4.1.5 Codes of conduct defining the standards of behaviour for members and officers are in place, conform to appropriate ethical standards and are communicated and embedded across the council.
- Codes of conduct defining the standards of behaviour for members and staff have been developed and communicated and are available on the council's website and intranet site, Thanet Online Matters (TOM). These include Members' Code of Conduct, Code of Conduct for Staff, Anti-fraud and Corruption Policy, member and officer protocols and regular performance appraisals linked to service and corporate objectives.
- 4.1.6 Standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes / manuals which are reviewed and updated as appropriate, clearly define how decisions are taken and the processes and controls required to manage risks.
- The council has established policies and procedures to govern its operations. Key within these are the Financial Procedure Rules, Procurement Strategy and Contract Standing Orders, Risk Management Strategy, Codes of Conduct for Members and Officers, Anti-Fraud and Corruption Policy, Anti-Bribery Policy, Whistleblowing Code and Human Resources policies. Ensuring compliance with these policies is the responsibility of everyone throughout the council. These key controls are subject to periodic review, including that by Internal Audit, and are updated to ensure that they are relevant to the needs of the organisation.
 - Contract Standing Orders set out the rules governing the procurement process to ensure that value for money is achieved whilst meeting all legal and statutory requirements and minimising the risk of fraud or corruption. The council's Procurement Strategy is a high level view of how to promote effective procurement across the whole organisation. It outlines what good procurement means in Thanet and details the supporting framework. This Strategy is underpinned by the Procurement Code of Practice which is a step-by-step guide for all purchasing activities providing information, advice and guidance for officers responsible for spending the council's money.
 - A risk management framework has been in place across the council for some years with the objective of embedding effective risk management practices at both strategic and operational levels. The Risk Management Strategy and Process documents are reviewed on an annual basis and approved by the Governance and Audit Committee.
- 4.1.7 The council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).
- The council's financial management arrangements conform to CIPFA standards. The Director of Resources has statutory responsibility for the proper management of the council's finances and is the chair of the Senior Management Team (CMT). The management of the council's finances within departments is devolved to directors / service managers through the Scheme of Delegation for Financial Authority and Accountability. Directors / service managers further devolve decision making to managers and business unit managers through departmental schemes of management.
 - The Financial Services Team provide detailed finance protocols, procedures, guidance and training for managers and staff. The structure of the Financial Services

Team ensures segregation of duties and all committee reports are reviewed by the appropriate Financial Services staff.

- The internal audit function is an independent appraisal process and is provided by the East Kent Audit Partnership, who have direct access to members. They undertake reviews which provide management with a level of assurance on the adequacy of internal controls and of risks to the council's functions / systems. They give sound objectivity as well as benefiting from a large resource-pool which brings with it a good level of robustness. Throughout the year, the internal auditors perform a wide range of reviews covering both financial matters and other more service / output specific objectives, including value for money assessments. The conclusion is a report that is produced for management, which includes an assessment of the level of assurance that can be derived from the system of internal controls related to the service that is reviewed.

4.1.8 The core functions of an audit committee are undertaken.

- The role of the Governance and Audit Committee is set out in the Constitution and one of its key roles is to provide independent assurance of the adequacy of the risk management framework and the associated control environment. It is a committee comprising nine council members independent of the executive which oversees the internal audit function and considers all relevant reports of the external auditor.
- The terms of reference for the Governance and Audit Committee are prepared in line with 'CIPFA's Audit Committees – Practical Guidance for Local Authorities' and are reviewed annually whilst undertaking the self-assessment into the committee's effectiveness and achievements against its terms of reference.

4.1.9 Arrangements exist to ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.

- The council has in place a Monitoring Officer and Deputy Monitoring Officer. The Monitoring Officer has a duty to report on any actual or likely decision which would result in an unlawful act or maladministration. All decisions to be taken by members are supported by a legal assessment provided by the appropriate officer.
- The council has in place a Responsible Finance Officer and Deputy under Section 151 of the Local Government Act 1972. This role ensures lawfulness and financial prudence of decision making, has responsibility for the administration of the financial affairs of the council and provides advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues.

4.1.10 Arrangements for whistleblowing and for receiving and investigating complaints from the public are in place and well publicised.

- The council has in place a Whistleblowing Code whereby staff and others can report concerns about various sorts of wrongdoing or alleged impropriety. The Whistleblowing Code was approved by Governance and Audit Committee, as part of the council's Anti-Fraud and Corruption Policy. The Code is available on the website and is also proactively communicated to those contracting with the council.
- Thanet District Council wants to provide the best service it can to the community and has a Customer Feedback process in place, which includes complaints, compliments, service requests, member contact and comments. Service improvements take place as a direct result of customer feedback received and are published on the council's website and Members' Portal.

4.1.11 Arrangements exist for identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.

- Member Briefing sessions are programmed on a quarterly basis to ensure that members are properly equipped to effectively fulfil their responsibilities in the governance of the council's operations.

- As part of the annual appraisal process, training and development needs of staff are identified and a development plan is drawn up to meet those needs.
- 4.1.12 Clear channels of communication with all sections of the community and other stakeholders are in place, ensuring accountability and encouraging open consultation.
- The council has increased the level of community input into its decision making processes by increasing the number and variety of opportunities made available to the community. This includes online conversations and feedback as well as focus groups, workshops and the more traditional methods such as postal questionnaires. A greater emphasis is being placed on online consultation and social media.
 - The council has a well-established and effective consultation function which includes a wide range of consultation methods to ensure that as many groups and individuals as possible are able to participate. Before undertaking any consultation or communication, action plans are completed to detail exactly how key groups will be targeted. The council delivers an extensive programme of consultations throughout the year.
 - The council also regularly communicates and consults with residents online via the council website, through social media such as Twitter and Facebook, through local press, via secondary and primary schools, through local forums and organisations.
- 4.1.13 Governance arrangements in respect of partnerships and other group working incorporate good practice and are reflected in the council's overall governance arrangements.
- Partnership working is governed by agreements, protocols or memoranda of understanding relevant to the type of work or relationship involved. The council ensures that all are fit for purpose and the council's interests are protected.

5.0 REVIEW OF EFFECTIVENESS

- 5.1 Thanet District Council has responsibility for conducting, at least annually, a review of effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the East Kent Audit Partnership's annual report, and also by comments made by our External Auditors and other review agencies and inspectorates.
- 5.2 The process that has been applied by the council in maintaining and reviewing the effectiveness of the governance framework, includes the following:
- 5.2.1 The Authority
- The Council comprises 56 Members and, as a whole, takes decisions on budget and policy framework items as defined by the Constitution.
- 5.2.2 The Cabinet
- The Cabinet is responsible for the majority of the functions of the authority, within the budget and policy framework set by Full Council. Executive decisions can be taken by the Cabinet and Cabinet Members acting under delegated powers, depending upon the significance of the decision being made.
 - The Forward Plan lists the key decisions to be taken by Cabinet over the forthcoming four months. The plan is updated around the middle of each month to take effect from the 1st of the following month.
- 5.2.3 The Governance and Audit Committee
- The council has an established Governance and Audit Committee, which is independent of the executive function of the council, and is responsible for

overseeing internal and external audit, risk management processes and reviewing the adequacy of internal controls.

5.2.4 The Overview and Scrutiny Panel

- The Overview and Scrutiny Panel consists of 16 non-executive members and is appointed on a proportional basis, with political groups represented in the same proportion as on Full Council. It does not have any decision-making powers, but monitors the performance of the Leader and Cabinet and scrutinises services and policies throughout the district (both member and officer).

5.2.5 The Standards Committee

- The Standards Committee is established by Full Council and is responsible for promoting and maintaining high standards of conduct amongst councillors. In particular, it is responsible for advising the council on the adoption and revision of the Members' Code of Conduct and for monitoring the operation of the Code.

5.2.6 The Chief Financial Officer

- The role of the Chief Financial Officer is a fundamental building block of good corporate governance. The two critical aspects of the role are stewardship and probity in the use of resources; and performance, extracting the most value from the use of those resources.

5.2.7 The Monitoring Officer

- The Monitoring Officer has a duty to keep under review the operation of the Constitution to ensure it is lawful, up to date and fit for purpose.

5.2.8 The Internal Audit function

- The internal audit function is undertaken by the East Kent Audit Partnership, which provides this service to not only Thanet District Council but also Dover and Shepway District Councils, and Canterbury City Council. Internal audit is an independent appraisal function, which seeks to provide management with a level of assurance on the adequacy of internal controls and of risks to the council's functions / systems.

5.2.9 Management and officers

- The council's internal management processes are reviewed regularly and any changes or updates are communicated through the Managers' forum and staff development sessions, and any management training that is undertaken.

6.0 INTERNAL AUDIT STATEMENT

6.1 The original audit plan for 2014-15 included a total of 29 projects. We have communicated closely with the s.151 Officer, CMT and this Committee to ensure the projects actually undertaken continue to represent the best use of resources. As a result of this liaison some changes to the plan were agreed during the year. A few projects (3) have therefore been pushed back in the overall strategic plan, to permit some higher risk projects to come forward in the plan (2). The total number of projects undertaken in 2013-14 was 28, with 14 being WIP at the year-end to be finalised in April.

6.2 During 2014-15, 70 recommendations were made in the agreed final audit reports to Thanet District Council. These are analysed as being High, Medium or Low risk. Naturally, more emphasis is placed on recommendations for improvement regarding high risks. Any high priority recommendations where management has not made progress in implementing the agreed system improvement are brought to management and Members' attention through Internal Audit's quarterly update reports. During 2014-15 the EKAP has raised and reported to the quarterly Governance Committee meetings 70 recommendations, and whilst 67% were in the High or Medium Risk categories, none are so significant that they need to be escalated at this time.

6.3 There are no major areas of concern, which would give rise to a qualified audit statement regarding the systems of internal control concerning either the main financial systems or

overall systems of corporate governance. The Council can have a 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 been assessed as providing a Substantial assurance level following audit reviews. The Council can therefore be very assured in these areas. 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 were three areas where only a partially limited assurance level was given and one which concluded no assurance and these reflect a lack of confidence in arrangements, and these were brought to officers' attention. These reviews have planned follow up activity.

- 6.4 From the work undertaken during 2014-15, there were no instances of unsatisfactory responses to key control issues raised in internal audit reports by the end of the year. There are occasions when audit recommendations are not accepted for operational reasons such as a manager's opinion that the associated costs outweigh the risk, but none of these are significant and require reporting or escalation at this time. The EKAP has been commissioned to perform only one follow up, there were four reviews that remained a partial Limited Assurance after follow up and twenty-three recommendations that were originally assessed as high risk, which remained a high priority and outstanding after follow up were escalated to the Governance and Audit Committee during the year.
- 6.5 The EKAP assesses the overall system of internal control in operation throughout 2014-15 as providing reasonable assurance. No system of control can provide absolute assurance, nor can Internal Audit give that assurance. This statement is intended to provide reasonable assurance that there is an on-going process for identifying, evaluating and managing the key risks.

7.0 ACTIONS UNDERTAKEN DURING 2014/15

- 7.1 Throughout 2014/15 managers within the council have met on a regular basis through the Managers Forum, and updates to the following corporate processes, strategies or policies have been communicated, which are then shared with all staff through Staff Briefing Sessions:
- Open book accounting
 - Internal communications
 - Political astuteness
 - Developing an action plan for the peer review
 - Workstation risk assessments and use of health and safety maps and employers liability insurance
 - Pay for contribution and appraisal
 - Corporate property management and asset management strategy
 - Freedom of Information requests
 - Geographical information systems
 - Sickness absence
 - Flexible working
 - The new occupational health provider
 - Community right to bid process
 - Improvement Board
 - Election 2015
 - Employee council
 - Self-authorisation review
 - Digitilisation
 - Anti-Bureaucracy drive
 - Short-term frequent absence process
 - Establishment change request process
 - Election and induction programme
- 7.2 The following corporate processes, strategy or policy documents were considered and

approved by the Governance and Audit Committee:

- External Audit Plan 2014/15
- External Audit Grant Certification Letter 2013/14
- Internal Audit Plan 2014/15
- Internal Audit 2015-16 Audit Plan and Audit Charter
- Corporate Risk Register
- Annual Treasury Management Review
- Internal Audit Annual Fraud Report 2013-14
- Internal Audit Annual Report
- Annual Governance Statement 2013/14
- Risk Management Strategy and Process
- External Funding and Grants Protocol
- Final Statement of accounts
- Annual Audit Letter
- Value Statement
- Governance Framework and Local Code of Corporate Governance
- Treasury Management Strategy 2015-2016
- Due Diligence Protocol

7.3 Cabinet considered and approved the following corporate or service related strategy or policy documents:

- Proposed Neighbourhood Plan Area for Margate
- Proposed Neighbourhood Forum for Margate
- Proposed Neighbourhood Plan Area for Cliffsend
- Proposed revision to Local Development Scheme
- Asset Management- Disposal of Assets
- Adoption of the Housing Regeneration Enforcement Policy and Guidance
- Designation of Conservation area, Cliftonville
- Ramsgate Maritime Plan
- Corporate Risk Register
- Annual Treasury Management review 2013/2014
- Ramsgate Port and Harbour Governance Proposals
- Food Service Plan 2014/2016
- Destination Management Plan
- Housing Assistance and Disabled Adaptations Policy
- Year-end Performance Report 2013-14
- Corporate Performance Reports
- Budget Monitoring
- New Tenancy Conditions
- Asset Management Strategy
- Beach Management Plan
- Thanet Local Plan Preferred Options
- Treasury Management Strategy Statement and Annual Investment Strategy
- Thanet District parking Policy
- Policy for Section 44A Discretionary Business Rate Relief
- Sports and Active Recreational Strategy 2015-2019
- East Kent Homelessness Prevention Strategy 2014/19
- Thanet Community Safety Plan 2015-2016
- Budget and Medium Term financial plan 2015-19

7.4 The corporate or service related strategy or policy documents detailed below were considered and approved by Full Council:

- Community Safety Partnership Plan 2014-15
- Amendments to the Constitution
- CIPFA Code of Practice on Treasury Management
- Register of Interests and Gifts and Hospitality for Officers
- Members' Allowances Scheme
- Annual Treasury Management Review 2013-2014
- Review of the Council's Petitions Scheme

- Review of Governance Arrangements – Margate
- Review of polling places and Polling Districts
- Fees and Charges
- Council Tax Reduction scheme
- Budget and Medium Term Financial Plan 2015-19
- Revised Treasury Management Strategy, Minimum Revenue Provision Policy Statement and Annual Investment Strategy for 2015/16
- East Kent Services Committee and Arrangements
- Pay Policy Statement 2015-16
- East Kent Homelessness Prevention Strategy 2014-19
- Thanet Community Safety Plan for 2015-16

7.5 The council commissioned a Local Government Association (LGA) Peer Review in March 2014. This voluntary process offered by the LGA seeks to benefit councils through constructive feedback from peers in other local authorities. The review focused on:

- understanding the local context and priority setting
- financial planning
- political and managerial leadership
- governance and decision making
- organisational capacity

For Thanet, there was also a request that the team look at the council's approach to Economic Development and its customer services strategy as these are priority areas for the council.

7.6 Actions to address 2013/14 Significant Governance Issues

The following section reflects the actions completed to address the 2013/14 AGS recommendations.

Peer Review

- The Council needed to take forward the LGA recommendations following the Peer Review to ensure continuous improvement and make the Council a better organisation overall.
Completed action: An improvement board was established with SMART actions to deliver the action plan. The Improvement Board met on seven occasions in 2014/15 receiving reports on the delivery of the action plan.
Completed action: Senior Officers met monthly to review progress on the plan, identify blockages and sign-off on delivery. Reports are made regularly to CMT
Completed action: A lead Director has been appointed to review our progress to date

Priority Setting

- Clarification is required on the Council's top priorities and communicated to Members, Staff and stakeholders clearly and consistently.
Completed action: Cabinet clarified its four priorities as Environment/Pace; Housing; Economic Development; Communication.
Completed action: Information gathering commenced for a new corporate plan which was in final development toward the latter end of 2014/15.
Completed action: Work has begun on identifying measures of success

Joint Working

- Develop an understanding of the way leading politicians and senior officers can work effectively and address the perception of the Council with respect to trust, respect and visibility.
Completed action: This is being developed with the support of the Improvement Board.
Completed action: External assistance had been procured to review the constitution.
Completed action: A draft member/officer protocol has been prepared to be shared with senior Members, Officers and the Improvement Board

Meeting attendance and flexitime policies

- There had been a variable interpretation of the flexitime scheme and some officers regularly exceeded their contractual hours with limited opportunity to recoup them.
Completed action: This issue has been discussed with managers across the Council on several occasions, it is agreed that there's no expectation that staff will exceed their contractual hours.

Completed action: The issue of exceeding contracted hours will remain under review for next year

Arrangements for use of interim staff

- There are a number of key posts covered by those 'acting up' and interim appointments. This situation presents a governance risk and the Council aims to fill these positions with permanent staff. Appropriate delegations need to be in place.

Completed action: The Chief Executive was made a permanent appointment from April 2015

Completed action; The senior management structure was reviewed to attract appropriate candidates.

Completed action: A permanent appointment was made for a Section 151 Officer who will join the authority early in 2015/16.

Completed action: The recruitment process for a permanent Director of Governance (Monitoring Officer) has been agreed

Completed action: The delegations are regularly reviewed and reported to Council.

Completed action: The refresh of the constitution will include a further review for their inclusion in the new constitution.

Introduction to the Council

- The new staffing structure and greater partnership working brings new staff into contact with the Council. An introduction to the Council and Thanet would assist understanding and working together.

Completed action: This is provided on the Thanet DC website. It is not considered that any further action is needed on this issue.

Staff Induction Processes

- Current processes are locally delivered and lack consistency.

Completed action: A standardised approach is in place delivered by managers locally.

Completed action: More action is needed on this issue in 2015/16

Legal actions with high financial impact

- There are a number of large financial risks related to legal action in progress

Completed action: The financial risks and course of the action are regularly monitored and reported.

Completed actions: There are no significant changes to the legal or financial risks from the position set out in the statement of accounts approved by the 24th September 2014 G&A meeting.

8.0 IMPROVEMENT BOARD

8.1 Following the peer review, an Improvement Board was established in with an independent chair. The Board includes peer members; the LGA, the Council Leader, Deputy Leader, Leader of the main opposition group and Leader of the largest independent group; the Independent Standards Chair and Vice-Chair and TDC senior management. The first meeting of the board was on the 9 September 2014 where it agreed its terms of reference, a draft improvement plan and communications plan.

8.2 The improvement plan covers the following broad areas of work:

- Staffing Capacity
- Communication
- Customer Service
- Efficiency
- Member/Officer relations
- Partnership working
- Political working/relationships

- Prioritisation
- Reputation

8.2 The Improvement Board met seven times during the year and dealt with the following issues:

- Terms of Reference
- Improvement Plan
- Risks
- Communication Strategy
- Member/Officer Protocol
- Member Induction Programme 2015/2016
- Standards Committee Complaints
- Workforce Development Strategy
- Feedback on Observation of Meetings
- Member Training
- Review of the Constitution
- Residents' Survey
- New Council and Senior Officer Appointments

Given the importance of the Improvement Board and Improvement Plan, the outstanding actions from the Improvement Plan will form the majority of the actions in the action plan for 2015/16.

9.0 ANNUAL REPORTS - GOVERNANCE AND AUDIT COMMITTEE AND OVERVIEW AND SCRUTINY PANEL

9.1 To comply with best practice, the Governance and Audit Committee determined that it would consider annually whether it meets its terms of reference and how it has impacted on the internal control environment.

9.2 Thanet District Council's Overview and Scrutiny Panel is entitled to make an annual report to the Annual Meeting of Council. The report summarises the key achievements of the Overview and Scrutiny Panel during 2014/15.

9.2.1 The Panel unanimously agreed at the beginning of 2014/15 to disregard political proportionality when setting out the membership of the working parties/task and finish groups. The report will demonstrate the significant contributions made by the scrutiny process to effective decision making by Thanet District Council.

9.2.2 Members may wish to note that Full Council agreed at the meeting on 2 October 2014 that 'at each of its ordinary meetings, Council will receive a written report introduced by the Chairman of the Overview and Scrutiny Panel on the work undertaken by the Overview and Scrutiny Panel since the last Council meeting. Such a report will be subject to debate in the usual way.

9.2.3 Since then, the Chairman of the Panel has presented regular reports on the scrutiny activities being undertaken.

9.3 The Panel carried out its work during 2014/15 through a number of Working Parties and Task and Finish Groups including:

- Community Safety Partnership Working Party which undertakes the statutory scrutiny functions of the Community Safety Partnership on behalf of the Panel.
- Corporate Performance Review Working Party which reviewed the corporate performance reports and the Improvement Board's Improvement Plan,
- Electoral Registration Process Review Task and Finish Group which maintained a watching brief on Individual Electoral Registration.
- Members Planning Protocol Task and Finish Group which reviewed the protocol and processes.
- QEQM Hospital A & E Review Task and Finish Group
- TDC Artefacts Management Review Task and Finish Group

9.4 The Overview and Scrutiny Panel made five call-ins in 2014/15 of the following Cabinet

decisions:

- Petition to Council – Margate Harbour
- Thanet Markets: Margate Weekly General Market
- Ramsgate Maritime Plan
- Manston Airport
- Royal Sands Development

Panel Members took no further action on the first three items and made recommendations to Cabinet on Manston Airport and the Royal Sands Development.

- 9.5 The Overview and Scrutiny Panel undertook a post decision review of a Cabinet decision on the 'Vattenfall Community Funding Project' as a result of concerns expressed by Members regarding the decision making process used to determine the funding allocation.

10.0 SIGNIFICANT GOVERNANCE ISSUES

- 10.1 The identified areas detailed below have arisen from our numerous assessments into the council's governance arrangements for 2014/15 including the Peer Review and its associated action plan and the qualified audit report, and have been deemed to be significant by the Senior Management Team. They will be addressed during 2015/16.

10.2 Identified issues are:

- The council's reputation is of critical importance

Thanet District Council has suffered in terms of its reputation. Rebuilding our reputation is the most important challenge we face.

- Clarify what we want to achieve and how we are going to do it and then put the appropriate resources in place

Work is required to prioritise within our plans and be clear about the few top priorities which need to be achieved. Once we have clarified our top priorities, we need to think about how the organisation will need to change in the future in order to deliver them. We need to communicate your top priorities clearly, consistently and repeatedly.

- Work to improve trust, respect and visibility

We need to develop ways in which political leaders and political groups work together formally and informally. This does not imply that we will agree on everything but careful preparation, communication and consultation can often help to navigate through difficult decisions. Building trust and relationships is the key, and senior officers play a key role in this, supporting politicians so that their leadership and their administration can be effective.

- Develop and then implement our understanding of appropriate member and officer roles in a strong organisation

We need to develop our understanding about the way in which leading politicians and senior managers can work effectively together. There is a lack of clarity about the boundaries between political and managerial responsibilities.

Our ambitious agenda will be supported by strengthening the top management team. We have other vacancies to fill and a restructure to complete. We need to consider ways in which to empower and delegate more decisions to staff and add to our workforce development strategy.

- Clear messages – well communicated

We have many strengths in the council in which we should take pride and which could

take centre stage if our reputation improved. Above all, we need to take time to communicate and celebrate the council's achievements, this is important to the staff who make things happen.

10.3 Other issues which have arisen from the assurance statements or reviews and reports which relate to governance or which are uncompleted from last year will also be addressed during the year, Those issues are:

- A review of our approach to information governance
- A review of our approach to equalities and diversity and the public sector equality duty
- The undertaking of workplace risk assessments
- The issue of staff exceeding contracted hours
- The staff induction process

10.4 An action plan will be compiled and regularly reported to the Governance and Audit Committee. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

11.0 ASSURANCE SUMMARY

11.1 Good governance is about running things properly. It is the means by which the council shows it is taking decisions for the good of the people of the area, in a fair, equitable and open way. It also requires standards of behaviour that support good decision making – collective and individual integrity, openness and honesty. It is the foundation for the delivery of good quality services that meet all local people's needs. It is fundamental to showing that public money is well spent. Without good governance, councils will struggle to improve services.

11.2 From the review, assessment and monitoring work undertaken and supported by the ongoing work undertaken by Internal Audit, we have reached the opinion that, overall, key systems are operating soundly and that there are no fundamental control weaknesses.

11.3 We can confirm, to the best of our knowledge and belief, and there having been appropriate enquiries made, that this statement provides an accurate and fair view.

Signed by:
Councillor Chris Wells
Leader of the Council
by the 30 September 2015

Signed on behalf of:
Madeline Homer
Chief Executive
by the 30 September 2015

AGS Significant Issue 2014/2015	Suggested Action Heading & (Owner)	Task List
<p>The council's reputation is of critical importance Thanet District Council has suffered in terms of its reputation. Sustained and rapid improvement in this area is critically important. Rebuilding our reputation is the most important challenge we face.</p>	<p>Member Development (Director of Corporate Governance)</p> <p>Reputation (Chief Executive and Director of Corporate Resources)</p>	<ul style="list-style-type: none"> • Member development workshops • Community Leadership Training (LGA) • Group Discipline Training • Social Media Training • Benchmark approach to Member development • Visits to other Councils focussed on specific activities • Peer support for Cabinet members • Develop measures to track changes in reputation • Consider alternative survey approaches • Conduct resident's survey (twice-yearly) • Conduct staff survey (Dec) • Review media coverage
<p>Clarify what we want to achieve and how we are going to do it and then put the appropriate resources in place Work is required to prioritise within our plans and be clear about the few top priorities which need to be achieved. Once we have clarified our top priorities, we need to think about how the organisation will need to change in the future in order to deliver them. We need to communicate your top priorities clearly, consistently and repeatedly.</p>	<p>Review Priorities (Chief Executive)</p> <p>Project Management (Director of Corporate Resources)</p> <p>ICT arrangements (Director of Corporate Resources)</p>	<ul style="list-style-type: none"> • Cabinet agree draft priorities • Consultation on priorities with Members, Stakeholders, Staff • O & S consider revised priorities • Council approve new priorities • Communicate priorities • Review Consultants recommendations on PM • Implement standard project approach • Build PM cadre • Train staff on PM • Create new governance arrangements for PM • Adopt digitalisation strategy • New telephony system • Establish 'intelligent client' • Revised SLA

AGS Significant Issue 2014/2015	Suggested Action Heading & (Owner)	Task List
		<ul style="list-style-type: none"> • Rationalise asset base based on consultant recommendations
<p>Work to improve trust, respect and visibility Develop ways in which political leaders and political groups work together formally and informally. Careful preparation, communication and consultation can often help to navigate through difficult decisions. Building trust and relationships is the key, and senior officers play a key role in this, supporting politicians so that their leadership and their administration can be effective.</p>	(Chief Executive, Director of Corporate Governance)	<ul style="list-style-type: none"> • Revise Member/Officer protocol • Council adopts Member/Officer protocol • Train Members/Officers in new protocol • Review Dem Services to provide focussed support to councillors • Deliver major decisions effectively
<p>Develop and then implement our understanding of appropriate member and officer roles in a strong organisation We need to develop our understanding about the way in which leading politicians and senior managers can work effectively together. There is a lack of clarity about the boundaries between political and managerial responsibilities. Our ambitious agenda will be supported by strengthening the top management team. We have critical vacancies to fill and a restructure to complete. We need to consider ways in which to empower and delegate more decisions to staff and add to our workforce development strategy.</p>	<p>Director of Corporate Governance</p> <p>Workforce Development strategy (Director of Corporate Resources)</p>	<ul style="list-style-type: none"> • Draft Revised Constitution • Review levels of delegation and empowerment • Train in scheme of delegation & roles/responsibilities • Incorporate revised sanctions • Engage with Group Leaders • Appoint Dir Corp Gov; Dir Cty Svcs; Head of Fin Svcs; Head of Op Svcs; Head of Legal Svcs • Reorganisations following appointments • Review ED team in light of new priorities • Develop vision for future workforce • Collect workforce data • Define workforce gap • Define workforce plan
<p>Clear messages – well communicated We have many strengths in the council in which we should take pride and which could take centre stage if our reputation improved. Above all, we need to take time to communicate and celebrate the council's achievements, this is important to the staff who make things happen</p>	(Chief Executive, Director of Corporate Resources)	<ul style="list-style-type: none"> • Restructure Communications team • Draft revised communications strategy • Define key stakeholders • Consult with staff and key stakeholders • Develop stakeholder engagement plan • New Staff newsletter

Suggested Action Heading & (Owner)	Suggested Action Heading & (Owner)	Task List
Information Governance	Refresh TDC Approach to Information Governance (Dir. Of Corporate Governance)	<ul style="list-style-type: none"> • Raise profile of Information Governance • Secure appropriate resources • Review Policies and Procedures • Create action plan • Secure appropriate training including e-learning • Update policies • Learn from other authorities • Use induction training
Equalities and Diversity and our delivery of the public sector equality duty	(Director of Corporate Governance)	<ul style="list-style-type: none"> • Review policies • CMT appoint equality and diversity champion • Refresh section champions • Report to CMT on compliance with PSED and action plan • Obtain data on discrimination complaints and publish with equality data • Publish EIA's where appropriate • Ensure publication of all required data annually • Agree training plan including e-learning • Use surveys and the collected data • Use induction training • Review Information and Service delivery strategy
Workplace Risk Assessments	All Service Heads	<ul style="list-style-type: none"> • Raise with Managers at Forum and ensure report back on progress • Encourage training including e-training • Report on progress
Review the delivery of the staff induction process	(Director of Corporate Resources)	<ul style="list-style-type: none"> • Look at corporate programme for shared learning • Include Information Management and Equalities/Diversity
Staff exceeding contracted hours	All Service Heads	<ul style="list-style-type: none"> • Raise with Manager's at forum • Report from EKS

THANET DISTRICT COUNCIL DECLARATION OF INTEREST FORM

Do I have a Disclosable Pecuniary Interest and if so what action should I take?

Your Disclosable Pecuniary Interests (DPI) are those interests that are, or should be, listed on your Register of Interest Form.

If you are at a meeting and the subject relating to one of your DPIs is to be discussed, in so far as you are aware of the DPI, you **must** declare the existence **and** explain the nature of the DPI during the declarations of interest agenda item, at the commencement of the item under discussion, or when the interest has become apparent

Once you have declared that you have a DPI (unless you have been granted a dispensation by the Standards Committee or the Monitoring Officer, for which you will have applied to the Monitoring Officer prior to the meeting) you **must:-**

1. Not speak or vote on the matter;
2. Withdraw from the meeting room during the consideration of the matter;
3. Not seek to improperly influence the decision on the matter.

Do I have a significant interest and if so what action should I take?

A significant interest is an interest (other than a DPI or an interest in an Authority Function) which:

1. Affects the financial position of yourself and/or an associated person; or Relates to the determination of your application for any approval, consent, licence, permission or registration made by, or on your behalf of, you and/or an associated person;
2. And which, in either case, a member of the public with knowledge of the relevant facts would reasonably regard as being so significant that it is likely to prejudice your judgment of the public interest.

An associated person is defined as:

- A family member or any other person with whom you have a close association, including your spouse, civil partner, or somebody with whom you are living as a husband or wife, or as if you are civil partners; or
- Any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors; or
- Any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000;
- Any body of which you are in a position of general control or management and to which you are appointed or nominated by the Authority; or
- any body in respect of which you are in a position of general control or management and which:
 - exercises functions of a public nature; or
 - is directed to charitable purposes; or
 - has as its principal purpose or one of its principal purposes the influence of public opinion or policy (including any political party or trade union)

An Authority Function is defined as: -

- Housing - where you are a tenant of the Council provided that those functions do not relate particularly to your tenancy or lease; or
- Any allowance, payment or indemnity given to members of the Council;
- Any ceremonial honour given to members of the Council
- Setting the Council Tax or a precept under the Local Government Finance Act 1992

If you are at a meeting and you think that you have a significant interest then you **must** declare the existence **and** nature of the significant interest at the commencement of the

matter, or when the interest has become apparent, or the declarations of interest agenda item.

Once you have declared that you have a significant interest (unless you have been granted a dispensation by the Standards Committee or the Monitoring Officer, for which you will have applied to the Monitoring Officer prior to the meeting) you **must**:-

1. Not speak or vote (unless the public have speaking rights, or you are present to make representations, answer questions or to give evidence relating to the business being discussed in which case you can speak only)
2. Withdraw from the meeting during consideration of the matter or immediately after speaking.
3. Not seek to improperly influence the decision.

Gifts, Benefits and Hospitality

Councillors must declare at meetings any gift, benefit or hospitality with an estimated value (or cumulative value if a series of gifts etc.) of £100 or more. You **must**, at the commencement of the meeting or when the interest becomes apparent, disclose the existence and nature of the gift, benefit or hospitality, the identity of the donor and how the business under consideration relates to that person or body. However you can stay in the meeting unless it constitutes a significant interest, in which case it should be declared as outlined above.

What if I am unsure?

If you are in any doubt, Members are strongly advised to seek advice from the Monitoring Officer or the Democratic Services and Scrutiny Manager well in advance of the meeting.

DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS, SIGNIFICANT INTERESTS AND GIFTS, BENEFITS AND HOSPITALITY

MEETING.....

DATE..... AGENDA ITEM

DISCRETIONARY PECUNIARY INTEREST

SIGNIFICANT INTEREST

GIFTS, BENEFITS AND HOSPITALITY

THE NATURE OF THE INTEREST, GIFT, BENEFITS OR HOSPITALITY:

.....
.....
.....

NAME (PRINT):

SIGNATURE:

Please detach and hand this form to the Democratic Services Officer when you are asked to declare any interests.