

# Public Document Pack

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## GOVERNANCE AND AUDIT COMMITTEE

11 AUGUST 2016

A meeting of the Governance and Audit Committee will be held at **7.00 pm on Thursday, 11 August 2016** in the Council Chamber, Council Offices, Cecil Street, Margate, Kent.

### Membership:

Councillor Buckley (Chairman); Councillors: Braidwood, Campbell, Connor, Day, Dexter, Dixon, Edwards, Game, I Gregory, Hayton (Vice-Chairman), Jaye-Jones, Larkins and Taylor-Smith

## A G E N D A

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. **MINUTES OF PREVIOUS MEETING** (Pages 1 - 4)

To approve the Minutes of the Governance and Audit Committee meeting held on 22 June 2016, copy attached.

4. **THE DRAFT ANNUAL GOVERNANCE STATEMENT 2015/16** (Pages 5 - 26)

**Declaration of Interests Form**

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# Public Document Pack Agenda Item 3

## GOVERNANCE AND AUDIT COMMITTEE

Minutes of the meeting held on 22 June 2016 at 7.00 pm in Council Chamber, Cecil Street, Margate, Kent.

**Present:** Councillor John Buckley (Chairman); Councillors Ashbee, Braidwood, Campbell, Connor, Dexter, Dixon, Edwards, I Gregory, Hayton, Jaye-Jones, Larkins, Taylor-Smith and Partington

**In Attendance:** Councillor Crow-Brown

### 1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Day, for whom Councillor Partington was a substitute; apologies were also received from Councillor Game.

### 2. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 3. MINUTES OF PREVIOUS MEETING

Councillor Campbell proposed, Councillor Ashbee seconded and Members agreed the minutes of the meeting held on 15 March 2016.

### 4. EXTERNAL AUDIT FEE LETTER 2016/17

Darren Wells, Engagement Lead, Grant Thornton UK LLP introduced the audit fee letter, advising that it was proposed that the fee would remain the same as the previous years in accordance with the scale of fees set by PSSA (Public Sector Audits Appointments Limited).

Members noted the audit fee letter.

### 5. QUARTERLY INTERNAL AUDIT UPDATE REPORT

Christine Parker, Head of East Kent Audit Partnership, introduced the report noting that there had been four internal audit assignments completed since the last committee meeting; three achieved substantial assurance and one achieved reasonable assurance. In addition, there had been nine follow-up reviews.

During consideration of the item it was noted that:

- The use of the word 'outstanding' in the *Manager's Comment on Progress Towards Implementation* column of appendix 1 indicated that work was still to be done. Ms Parker agreed that in future a different expression would be used to provide more clarity of meaning.
- The East Kent Housing – Sheltered and Supported Housing follow up, shown in appendix 2 as *work in-progress*, was now complete.
- With regard to the reviews shown in appendix 2, Ms Parker offered to provide Cllr Taylor-Smith with indicative dates by which follow up actions would be due.

Members noted the report.

### 6. ANNUAL INTERNAL AUDIT REPORT

Christine Parker, introduced the report which provided Members with a summary of the impact of the work of the East Kent Audit Partnership (EKAP) for the year up to 31 March 2016.

During consideration of the item it was noted that:

- EKAP had performed well against its targets.
- Reference to audits of East Kent Housing and East Kent Services were included in the annual report as Thanet District Council (TDC) hosted these services.
- EKAP did not achieve full compliance with Public Sector Internal Audit Standards. To achieve full compliance would have required an external quality assessment, however it was felt by the Section 151 officers across East Kent that the provision of an external quality assessment would not offer sufficient value for money.
- The percentage of completed satisfaction questionnaires across East Kent was 27%, Ms Parker offered to provide Councillor Campbell with the percentage returned from TDC after meeting, and agreed to include TDC's percentage of completed questionnaires on future reports.

Members noted the report.

## **7. ANNUAL FRAUD REPORT 2015/16**

Christine Parker, Head of East Kent Audit Partnership, introduced the report which provided a summary of the counter fraud work completed by the Council during the year up to 31 March 2016.

During consideration of the item it was noted that:

- Investigation of housing benefit fraud was currently included in the report, however it had now become a responsibility of the Department for Work and Pensions and would therefore not appear in future reports.
- Tackling housing tenancy fraud would remain a TDC function.
- In addition to reporting on the number of prosecutions for housing tenancy fraud, the 2016/17 report would include information on the number of investigations conducted and the number of properties subsequently made available as a result of these investigations.

Members noted the report.

## **8. CORPORATE RISK REGISTER - ANNUAL REVIEW**

Tim Willis, Director of Corporate Resources and Section 151 Officer, introduced the report which provided an annual review of corporate risks and included a quarterly update of progress since the last meeting.

During consideration of the item it was noted that:

- Each identified risk had a corporate management team (CMT) officer allocated to it.
- The annual review was to go on to be considered by Cabinet at its next meeting.
- Gavin Waite, Director of Operational Services was the designated CMT officer allocated responsibility for the Health and Safety at Work risk. Mr Waite advised of a number of mitigation strategies and actions which had led to the risk score reduction from 12 to 9.

Members noted the report.

## **9. ANNUAL GOVERNANCE STATEMENT ACTION PLAN QUARTERLY UPDATE**

Tim Howes, Director of Corporate Governance and Monitoring Officer, introduced the report and highlighted updates since the last Governance and Audit Committee meeting.

During consideration of the item it was noted that:

- Changes had been tracked to show where updates had been made.
- 'tbc' at the bottom of the table in annexe 1 stood for 'to be completed'.
- There was a typo on page 67 of the agenda, the reference to October 2106 should read October 2016.

Members noted the report.

#### **10. ANNUAL TREASURY MANAGEMENT REVIEW 2015/16**

Jo Miller, Head of Finance introduced the report that provided a summary of the treasury management activity and prudential/treasury indicators for 2015/16.

During consideration of the item it was noted that:

- Consultation was underway on the proposal to transfer the functions of the Public Works Loan Board to the HM Treasury. TDC would continue to monitor the situation however there was no intention to review the treasury management strategy at this stage.

It was proposed by Councillor Campbell, seconded by Councillor Larkins and Members agreed:

'That the Governance and Audit Committee:

- Notes the actual 2015/16 prudential and treasury indicators in this report.
- Approves the annual treasury management report for 2015/16.
- Recommends this report to Cabinet.'

#### **11. DRAFT AUDIT COMMITTEE ASSURANCE STATEMENT**

Jo Miller introduced the report which included a draft response to questions posed by the external auditors, Grant Thornton UK LLP.

During consideration of the item it was noted that:

- Members had received some antifraud training as part of the Members induction process, however in response comments it was agreed and additional antifraud training for the committee would be scheduled into the next round of Members training.

It was proposed by Councillor Campbell, seconded by Councillor Jaye-Jones and Members agreed:

'That the committee notes and endorses the responses to the letter from the external auditor.'

#### **12. GOVERNMENT REPORT IN RESPECT OF ERDF GRANT CLAIM, 2005 - 2008**

Tim Willis introduced the report which provided Members with a summary of the events following an ERDF grant claim, the findings of the government investigation and actions taken since the claim.

Members noted the report.

Meeting concluded: 8.05 pm

# THE DRAFT ANNUAL GOVERNANCE STATEMENT 2015/16

*Meeting – 11 August 2016*

Report Author **Director of Corporate Governance and Monitoring Officer**  
 Portfolio Holder **Cllr Derek Crow-Brown**  
 Status **For Decision**  
 Classification: **Unrestricted**  
 Ward: **All wards**

**Executive Summary:**  
*To provide the Governance and Audit Committee with the draft Annual Governance Statement 2015/16.*

**Recommendation(s):**  
*That Members accept the draft Annual Governance Statement 2015/16*

<b>CORPORATE IMPLICATIONS</b>									
<b>Financial and Value for Money</b>	There are no financial implications arising directly from this report. The Annual Governance Statement and accompanying assurance statements from managers are part of the framework of controls that contribute towards the discharge of responsibilities of the S151 Officer.								
<b>Legal</b>	The Accounts and Audit Regulations and other accounting guidance requires the council to follow prescribed formats in the completion of the Annual Governance Statement.								
<b>Corporate</b>	The Annual Governance Statement is a corporate document and as such should be owned by all senior officers and members of the authority.								
<b>Equalities Act 2010 &amp; Public Sector Equality Duty</b>	<p>Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.</p> <p>Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy &amp; maternity. Only aim (i) of the Duty applies to Marriage &amp; civil partnership.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td colspan="2" style="padding: 2px;">Please indicate which aim is relevant to the report.</td> </tr> <tr> <td style="padding: 2px;">Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,</td> <td style="width: 50px;"></td> </tr> <tr> <td style="padding: 2px;">Advance equality of opportunity between people who share a protected characteristic and people who do not share it</td> <td style="text-align: center; padding: 2px;">X</td> </tr> <tr> <td style="padding: 2px;">Foster good relations between people who share a protected characteristic and people who do not share it.</td> <td></td> </tr> </table> <p style="margin-top: 10px;">There are no equity or equalities issues arising from this report other than the recommendations actions which will be set out in the action plan.</p>	Please indicate which aim is relevant to the report.		Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,		Advance equality of opportunity between people who share a protected characteristic and people who do not share it	X	Foster good relations between people who share a protected characteristic and people who do not share it.	
Please indicate which aim is relevant to the report.									
Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,									
Advance equality of opportunity between people who share a protected characteristic and people who do not share it	X								
Foster good relations between people who share a protected characteristic and people who do not share it.									

<b>CORPORATE PRIORITIES (tick those relevant)✓</b>	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	

<b>CORPORATE VALUES (tick those relevant)✓</b>	
Delivering value for money	X
Supporting the Workforce	
Promoting open communications	X

## **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 Current Situation**

- 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 2015/16.
- 4.2 That Members propose changes to the draft Annual Governance Statement 2015/16.

Contact Officer:	Tim Howes, Director of Corporate Governance 01843 577906
Reporting to:	Madeline Homer, Chief Executive

#### Annex List

<i>Annex 1</i>	Draft Annual Governance statement
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#### Background Papers

Title	Details of where to access copy
<i>n/a</i>	

#### Corporate Consultation

<b>Finance</b>	Tim Willis, Director of Corporate Resources
<b>Legal</b>	Tim Howes, Director of Corporate Governance

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# Annual Governance Statement 2015/16

## **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 2015 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 October 2015 for the next four years when a new Corporate Plan was approved. The plan contains three priorities and three corporate values which are supported by measures of success.

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 (as part of the Council's constitution) 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 Corporate Resources has statutory responsibility for the proper management of the council's finances. 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 regular 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 Leader or 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 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: report on matters he/she believes are, or are likely to be, illegal or amount to maladministration, be responsible for matters relating to the conduct of Councillors and Officers and 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 Heads of Service, 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 2015-16 included a total of 26 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 (5) have therefore been pushed back in the overall strategic plan, to permit some higher risk projects to come forward in the plan (1). The total number of projects undertaken in 2015-16 was 22, with 5 being WIP at the year-end to be finalised in April. Five projects were able to be delivered from the 14.44 savings days rolled forward from 2014-15.

6.2 During 2015-16, 121 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 2015-16 the EKAP has raised and reported to the quarterly Governance and Audit Committee meetings 121 recommendations, and whilst 84% 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 that have been covered, which feed into the production of the Council's Financial Statements, have 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 five areas where only a limited assurance level was concluded and these reflect a lack of confidence in arrangements, and these were brought to officers' attention. These reviews are shown in the Internal Audit Annual Report along with the details of planned follow up activity for other areas awaiting a progress report.

6.4 From the work undertaken during 2015-16, 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 two reviews that remained either fully or partially Limited Assurance after follow up and twenty-eight 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 2015-16 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 ongoing process for identifying, evaluating and managing the key risks.

## **7.0 ACTIONS UNDERTAKEN DURING 2015/16**

7.1 Throughout 2015/16 managers within the council have met on a regular basis through the Heads of Service meetings and 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:

- EK Audit - Risk Management Workshop
- EKHR - Service Development Workshops
- Local Plan Working Group
- Risk Register
- LGA Asset Management Efficiency Review
- Safeguarding
- Corporate Policy on "Out of Hours remuneration"
- Invoice Processing and Payment
- Corporate Risk Register
- Health & Wellbeing
- Corporate Priorities and Values
- Community Asset Strategy
- Commercialisation Strategy

- Member/Officer Protocol Information Management
- Corporate priorities/measures of success/service planning
- Kent Environmental Strategy
- Service Planning - Cross Cutting Themes
- Corporate Newsletter
- E-Learning Audit
- FOI requests
- Sickness Absence
- Performance Reporting
- Asset Management
- Health and Safety
- Out of Hours Service
- Appraisal Moderation Process
- Contracting Standing Order Waivers
- Sickness Policy Equalities and Judicial Review
- Volunteer Policy
- Compliance Reporting
- Project Management
- Reporting Partner Performance
- Universal Credit
- Benchmarking
- E-learning
- Self-Authorisation
- Digitalisation
- Flexi-time
- Short Term Frequent Absence Process
- Establishment Change Request Process
- Election and Induction Programme
- Contract Standing Orders
- East Kent People (Payroll System)
- Emergency Planning
- Constitution - Officer Delegations
- Member/Officer Protocol
- Peer Review
- Appraisals System Process
- Service Plans
- Whistleblowing and Anti-Fraud
- Anti-Bribery
- Managing Safely
- SMART objectives
- Corporate Requirements For Reports
- Constitution
- Staff Survey Feedback
- Out of Hours Consultation
- Roles and Responsibilities
- Workforce Strategy

7.2 The following corporate processes, strategy or policy documents were considered and approved by the Governance and Audit Committee:

- Annual internal audit report
- Quarterly internal audit report update
- Annual Fraud Report
- Corporate Risk Register
- External Audit fee letter

- Annual Treasury Management Review 2014/15
- External Funding and grants Protocol
- Annual Governance Statement
- Audit Committee Assurance Statement
- Internal Audit Quarterly updates
- Annual Governance Statement Action Plan Quarterly update
- The External Audit Findings for Thanet District Council – Year ended March 2015
- Final Statement of Accounts
- Treasury Management updates
- Anti-Fraud and Corruption Policy and Anti-Bribery Policy
- Review of Corporate Approach to Risk Management
- Mid-Year Treasury Management Report
- Treasury Management Strategy 2016/2017
- Local Audit and Accountability Act 2014
- Annual Audit Letter
- External Audit 2015/16 Audit Plan
- External Audit Grant Certification Letter 2014/15
- Empty Property Refurbishment
- Internal Audit 2016-2017 Audit Plan and Audit Charter
- Review of the Effectiveness of the Council's Internal Audit Arrangements 2015-2016
- Governance Framework and Local Code of Corporate Governance update
- Corporate Risk Register Quarterly update

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

- Credit Methodology Changes
- East Kent Homelessness Prevention Strategy 2014-19
- Thanet Community Safety Plan for 2015-2016
- Corporate Performance Report for April 2014 - March 2015
- Proposed Neighbourhood plan Area for Ramsgate
- Proposed Neighbourhood Plan Area for Broadstairs and St. Peters
- Manston Airport CPO
- Budget Outturn Report 2014/15
- Budget Monitoring Report 2015/16
- Annual Treasury Review
- Selective Licensing in Cliftonville West and Margate Central
- Empty Property Refurbishment
- Corporate Priorities 2015-2019
- Corporate Risk Register
- Adoption of Local Development Scheme
- Designation of the Proposed Conservation Areas, Cliftonville West
- Corporate Performance Quarterly Reports
- Asset Management – Disposal of Assets
- General Fund Capital Programme Monitoring and Changes
- Fees and Charges 2016/17
- Budget Strategy 2016-17
- Mid-Year Treasury Report 2015-16
- Treasury Management Strategy 2016-17
- Council Tax Calculation for 2016-2017
- Budget 2016-17 and Medium Term Financial Plan 2016-2020
- Thanet Community Safety Plan 2016-2017
- Housing Revenue Account New Build Programme

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

- Revision to the Treasury Strategy – Credit Methodology Changes
- East Kent Homelessness Prevention Strategy 2014-2019
- Annual Report- Chairman of Overview and Scrutiny Panel
- Annual Report – Chairman of Governance and Audit Committee
- Annual Report – Chairman of Standards Committee
- Thanet Community Safety Plan for 2015-2016
- Member’s Allowances Scheme 2015/16
- Responsibility for Executive Functions
- Scheme of Officer Delegations
- Report on Sign-Up to the Code of Conduct
- Council’s Response to LGBCE Consultation
- Corporate Priorities 2015-2019
- 2014/15 Year-End Treasury Report
- The Determination of the Licensing Policy Statement For The Next Five Years
- The Determination of the Gambling Policy Statement For the Next Three Years
- General Fund Capital Programme Monitoring and Changes
- Fees and Charges 2016-17
- East Kent Joint Independent Remuneration Panel
- Treasury Management Strategy 2016-17
- Members Allowances Scheme 2016-17
- Budget 2016-17 and Medium Term Financial Plan 2016-2020
- Mid-Year Treasury Management Report 2015-16
- Council Tax 2016-17
- Constitution Review
- Agreement of Community safety Partnership Plan for 2016-17

## **8.0 ANNUAL REPORTS – GOVERNANCE AND AUDIT COMMITTEE AND OVERVIEW AND SCRUTINY PANEL**

- 8.1 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.
- 8.2 The council established a Governance and Audit Committee in March 2006. Whilst there is no statutory obligation to have an Audit Committee, they are widely recognised as a core component of effective governance. In recent years there has been a significant amount of regulation and guidance issues in governance arrangements for private and public sector bodies, the common feature of governance arrangements being the existence of an Audit Committee.
- 8.3 The purpose of the Council’s Governance and Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent review of the authority’s financial and non-financial performance to the extent that it affects the authority’s exposure to risk and weakens the control environment, and to oversee the financial reporting process.
- 8.4 The Governance and Audit Committee should ensure it has effective communication with the authority, to include the Executive, the Head of Internal Audit, the External Auditor and other stakeholders. Consequently it is considered to be best practice for the Committee to be self-aware and to submit an annual report to Council.
- 8.5 The annual report summarises the work of the Committee for the year and concludes that it has received clear, concise and relevant information, regular training events on topics specific to the business of the Committee, and has done all that it can to meet the

aims and objectives for the Committee in the best way that it can.

- 8.6 The Chairman and Officers have considered the effectiveness of the Committee. The evidence demonstrating achievement of the Committee's terms of reference is contained in Appendix 1 of the Annual Report to the Council on the effectiveness of the Committee.
- 8.7 Thanet District Council's Overview & Scrutiny Panel is entitled to make an annual report to the Annual Meeting of Council. This report summarises the key achievements of the Overview & Scrutiny Panel during 2015/16 and indicated the Panels' suggested priorities for 2016/17.
- 8.8 The Panel unanimously agreed at the beginning of the 2015/16 to disregard political proportionality when setting out the membership of the working parties/task & finish groups. Members established three working parties which were the Corporate Performance Review Working Party, Community Safety Partnership Working Party and Electoral Registration Process Review Task & Finish Group.
- 8.9 During this municipal year, the Chairman of the Panel presented to Council five reports on the scrutiny activities being undertaken. The main focus of the reports came from the work activities of the Corporate Performance Working Party and Community Safety Working Party.
- 8.10 The Panel carried out its work during 2014/15 through a number of Working Parties and maintained a 'watching brief' on two other matters:
- 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.
  - Watching Brief Issue: QEQM Hospital Services Review by East Kent Hospitals University Foundation Trust (EKHUFT)
  - Watching Brief Issue: TDC Artefacts Collection Management Review at the Margate Museum
- 8.11 The Panel called-in one Cabinet decision in 2015/16, on Manston Airport. The report required Cabinet Members to make a decision on the way forward regarding identifying an indemnity partner if Council were to go ahead with making an application for the Compulsory Purchase Order (CPO) of Manston Airport. The Panel agreed to take no further action regarding this matter. Both the Cabinet and Panel meetings generated a significant level of public interest and Member debate.
- 8.12 The Panel engaged the Leader of Council and the Cabinet Member for Operational Services at two separate meetings on 18 August and 15 December 2015 respectively. The Leader shared the Cabinet vision with regards to the Council's new corporate priorities and values for 2015/19. This debate was significant in that it established the executive's position for the new budget proposals for 2016/17.
- 8.13 The Operational Services Portfolio Holder presentation advised the Panel that Cabinet were working on a new Open Spaces and Parks Strategy for Thanet for the next twenty years. The Panel awaits the public consultation process and the finalised Strategy document.

## 9.0 IMPROVEMENT BOARD

- 9.1 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.

- 9.2 The Improvement Board met seven times during the year and dealt with the following issues:
- Improvement Plan updates
  - Member/Officer Protocol
  - Training
  - Constitution Review
  - Terms of Reference review and agreement
  - Member Induction Feedback
  - Communications
  - Corporate Peer Challenge
  - Follow-Up Review
  - Media Monitoring and Reports
  - Residents' Survey Feedback
  - Roles and Behaviours Training
  - Budget Survey Feedback

- 9.3 In February 2016 a follow-up review was undertaken by the LGA. The conclusions of that review were:

'Overall you have made significant progress since the original corporate peer challenge in 2014. We commend you for this. Celebrate your success. There is now a strong and capable Corporate Management Team (CMT) in place with respected political leadership from the Council Leader. This has contributed greatly to the good progress over the past two years.

We found generally good conduct with improved and respectful cross-party relationships and strength in the senior management team. You have a substantial number of new councillors following the election last May and serious effort has gone into equipping those councillors with the right knowledge and skills to discharge their roles. Officers feel valued and staff confirm that Thanet is a better place to work. Your Improvement Board has helped to ensure that there is cross-party involvement in addressing the challenges faced by the council. These improved working relationships between members and with officers will help to shape your future culture with new organisational behaviours and values.

Notwithstanding this progress you are self-aware and fully recognise that you have some tough challenges ahead particularly with your finances. These challenges must be faced head on and your focus must now be on implementation and delivery.

The peer team strongly recommend that you give immediate thought to what type of an organisation Thanet will be in 2020 and beyond and start to articulate your preferred organisational structure with the appropriate skills and competences. This will require a re-



alignment of resources and priorities and implementation of a robust Workforce Strategy.

Partnership working needs to be further enhanced to build future capacity and deliver core priorities. The council should look to be more outward facing and venture beyond Thanet District and Kent for best practice, opportunities for collaboration and to exercise influence.

The key recommendations following the follow up review were:

- Continue to invest in member development and ensure greater impact can be made through scrutiny
- Focus on getting an up to date Local Plan approved
- Rationalise your assets and keep a clear focus on your medium term financial plans
- Think through and decide on the future organisational structure and business model for Thanet
- Review the way you manage projects, rationalising where possible and using a lighter touch where risk is lower
- Build on your communications work by increasing the ways in which the council communicates the full range of information about its activities

## 10. ACTIONS TO ADDRESS THE 2013/14 SIGNIFICANT GOVERNANCE ISSUES

The following section reflects the actions completed to address the 2013/14 Annual Governance Statement recommendations.

### The council's reputation is of critical importance

- Member development workshops - Commenced and on-going
- Community Leadership Training (LGA) - Completed
- Group Discipline Training – Values and behaviours workshop - Completed
- Social Media Training – Completed
- Benchmark approach to Member development – Completed
- Visits to other Councils focussed on specific activities – Postponed
- Peer support for Cabinet members – Offered to Cabinet members
- Develop measures to track changes in reputation – Commenced and continuing
- Consider alternative survey approaches – On-going
- Conduct resident's survey (twice-yearly) – Completed
- Conduct staff survey – Completed
- Review media coverage – On-going monthly and quarterly media reports

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

- Cabinet agree draft priorities – Completed
- Consultation on priorities with Members, Stakeholders, Staff - Completed
- O & S consider revised priorities - Completed
- Council approve new priorities - Completed
- Communicate priorities - Completed
- Review Consultants recommendations on PM – Completed
- Implement standard project approach – Completed
- Build PM cadre – Moved to September 2016
- Train staff on PM – Moved to September 2016
- Create new governance arrangements for PM – Moved to September 2016

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

- Draft Revised Constitution - Completed
- Review levels of delegation and empowerment - Completed
- Train in scheme of delegation & roles/responsibilities – Completed
- Incorporate revised sanctions - Completed
- Engage with Group Leaders – On-going
- Appoint Director of Corp Gov; Dir of Community Svcs; Head of Financial Svcs; Head of Operational Svcs; Head of Legal Svcs - Completed
- Reorganisations following appointments - Completed
- Review ED team in light of new priorities – Due October 2016
- Develop vision for future workforce – Planned June 2016
- Collect workforce data – Planned June 2016
- Define workforce gap – Linked to vision
- Define workforce plan – Linked to emerging people strategy

Clear messages – well communicated

- Restructure Communications team - Completed
- Draft revised communications strategy – Planned Sept 2016
- Define key stakeholders - Completed
- Consult with staff and key stakeholders – Commenced and on-going
- Develop stakeholder engagement plan - Completed
- New Staff newsletter – Completed

Information Governance

- Raise profile of Information Governance – Commenced with CMT and Heads of Service
- Secure appropriate resources - Identified
- Review Policies and Procedures – Commenced with Corporate Information Governance Group (CIGG)
- Create action plan – Commenced awaiting audit
- Secure appropriate training including e-learning – Commenced and on-going
- Learn from other authorities – Working with CIGG
- Use induction training – Commenced and on-going

Equalities and Diversity and our delivery of the public sector equality duty

- Review policies – Due August 2016
- CMT appoint equality and diversity champion - Completed
- Refresh section champions – Not required
- Report to CMT on compliance with PSED and action plan - Completed
- Obtain data on discrimination complaints and publish with equality data – Completed and on website
- Publish EIA's where appropriate – On-going
- Ensure publication of all required data annually - Completed
- Agree training plan including e-learning - Completed
- Use surveys and the collected data – Due June 2016
- Use induction training - Completed
- Review Information and Service delivery strategy – Completed

Workplace Risk Assessments

- Raise with Managers at Forum and ensure report back on progress – via elearning on TOM
- Encourage training including e-training – Monitored by CX and CMT
- Report on progress – Monitored by CX and CMT

Review the delivery of the staff induction process

- Look at corporate programme for shared learning - completed

- Include Information Management and Equalities/Diversity - completed

Staff exceeding contracted hour

- Raise with Manager's at forum – Guidance/advice provided
- Report from EKS – Part of workforce strategy

## 11.0 SIGNIFICANT GOVERNANCE ISSUES

11.1 The identified areas detailed below have arisen from our numerous assessments into the council's governance arrangements for 2015/16 including the Peer Review and its associated action plan, and have been deemed to be significant by the Senior Management Team. They will be addressed during 2016/17:

1. Member development
  - Development of Scrutiny function
2. Review future organisational structures and business model for the Council
  - Maintain a watching brief on East Kent Authority proposal
3. Information Governance
  - Preparation for GDPR
  - Create action plan
  - Secure appropriate training including e-learning
4. Rationalise assets
  - Complete asset management plan
  - Put in place mitigation and control measures around compliance
5. Implement the project management framework
6. Review the performance management framework
7. Delivery of Annual Governance Statement
  - Review and refresh documents in the assurance statements
  - Improve timeliness of assurance statements
  - New Delivering Good Governance in Local Government 2016 Framework
  - Access to policies and e-learning for frontline staff
8. Review of partnerships
  - Review partnership register
  - Review lead officer role
9. Review EKH procurement process
  - Monitor the improvement plan
10. Staff exceeding contracted hours
  - Audit by managers
  - Agree action plan
11. Public Sector Equality Duty
  - Training on evidence of compliance

## 12.0 ASSURANCE SUMMARY

12.1 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.

12.2 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.

12.3 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:

Signed by:

Councillor Chris Wells  
Leader of the Council  
by the 30 September 2016

Madeline Homer  
Chief Executive  
by the 30 September 2016

## 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 £25 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 Committee Services 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.