

Draft
Annual Governance
Statement 2012/13

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 2013 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, Overview and Scrutiny Panel and Standards Committee.
- Considering the Internal Audit Annual Report, and also 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 that contains eleven priorities which will be 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 eleven 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, for ensuring they are delivered in accordance with the council's objectives and for ensuring 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.
- 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 Chief Executive (Section 151 Officer) has statutory responsibility for the proper management of the council's finances and is the chair of the Senior Management Team (SMT). 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 for this council 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, and 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.
- The council has developed a new culture change programme, which is supported by all of the SMT. This programme will enable a greater focus on organisational development, service development and performance management.

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 by the Corporate Communications Officers 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 and also through the Thanet wide communications database. This database is made up of residents across Thanet who have registered an interest in being kept up to date with any new council projects, campaigns and consultations.

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's Contracts and Partnership Relationship Manager 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 staff development sessions and any management training that is undertaken.

6.0 INTERNAL AUDIT STATEMENT

- 6.1 During 2012/13 the Internal Auditors completed 318.2 days of review, which was spent undertaking 29 audits. Of these 8 were assessed as being able to offer substantial levels of assurance; 10 reasonable assurance and 6 limited assurance. One other review was consultancy work and did not merit an assurance level and there were four audits at work in progress stage at year-end. Taken together 75% of the reviews accounted for substantial or reasonable assurance, whilst 25% of reviews placed a limited or partially no assurance to management on the system of internal control in operation at the time of the review.
- 6.2 Additional work outside of these percentages includes work in progress at the year-end or work not giving rise to an assurance. Where appropriate, the audit report provides management with a set of recommendations that are designed to address weaknesses in the system of internal control. The outcomes of these internal audit reviews are reported to the Governance and Audit Committee on a quarterly basis, giving members an opportunity to understand the council's compliance with key controls and to discuss any areas of concern with the Auditors.
- 6.3 The council has very high levels of assurance in respect of all of its main financial systems and the majority of its governance arrangements. Almost all of the main financial systems, which feed into the production of the council's financial statements, have achieved a substantial assurance level following audit reviews. The council can therefore be very assured in these areas.
- 6.4 The areas where improvement is required and which are considered to be the primary areas of concern arising from partial limited assurances:
- Data Protection
 - Absence Management, Flexi and Annual Leave
 - Dog Warden and Litter Enforcement
 - Thanet Leisure Force
 - Museums
- 6.5 Each of these areas is due to be followed up early in the 2012-13 plan of work. Consequently there is nothing of significant concern that needs to be escalated at this time.

7.0 ACTIONS UNDERTAKEN DURING 2012/13

7.1 Pay and reward process

- During 2012/13 the council developed a competency framework through employee workshops to ensure that we display the attitudes and approach to our work that will make positive change to the council in the way we deliver our services and undertake our roles as we strive to be the best we can be.
- Alongside the competency framework, a new appraisal process was introduced. Every officer of the council underwent training and the new format documents were used for the year end appraisals for 2012/13, and target setting for 2013/14.

7.2 Medium Term Financial Plan

- A Medium Term Financial Plan (MTFP) was presented to Cabinet in January 2012 covering the period 2012/13 to 2015/16. In light of the continuing unprecedented economic climate in which the council finds itself, the document was reviewed and updated, not only to reflect the external environment, but also new developments and changes to internal policies and practices. The revised MTFP covers the period 2013/14 to 2016/17.

7.3 East Kent Joint Arrangements review

- Following the decision taken by Shepway District Council not to participate in the sharing of the various services provided by EK Services (EKS) and to withdraw from the East Kent Human Resources Partnership (EKHRP), new governance arrangements to ensure the smooth continuation of the services provided to Thanet District Council, Canterbury City Council and Dover District Council by EKS and EKHRP were developed.

7.4 Contract Standing Orders and Purchasing Guide

- A review of Contract Standing Orders (CSOs) and the Purchasing Guide concentrated on four areas: realigning the documents with the council's new structure, increasing the level of control at tender openings, changes in procedure and updating the areas exempt from Contract Standing Orders.

7.5 Members' Code of Conduct and voluntary Standards Committee

- The Members' Code of Conduct, arrangements for dealing with complaints and consequential and related matters was reviewed following the revised Members' Standards Framework introduced in the Localism Act 2011 (Chapter 7).

7.6 Access to Information Regulations

- The new Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 came into effect in September 2012, which resulted in the council having to amend its procedures and Constitution in relation to the transparency of executive decisions, to ensure compliance with these new rules.

7.7 Risk Management Strategy and Process

- Risk management in Thanet District Council is about improving our ability to deliver our objectives by managing our threats, enhancing our opportunities and creating an environment that adds value to ongoing activities. The council's Risk Management Strategy and Process documents were reviewed and the amendments agreed by the Governance and Audit Committee at its September 2012 meeting.

7.8 Equalities

- The council underwent a period of consultation on its draft Equality Policy and Action Plan methodology, for approval of the final Policy and Action Plan in 2013.

7.9 Local Code of Corporate Governance and Governance Framework

- Good management, good performance and good financial controls all lead to good governance, and enable the council to engage with the public and ultimately demonstrate good outcomes for the community. The council pursues its ambitions as set out in the Corporate Plan effectively, whilst demonstrating our governance principles and management processes through the Local Code of Corporate Governance. Each year the Governance Framework and the Local Code are reviewed to ensure they are fit for purpose, and are agreed by the Governance and Audit Committee.

7.10 Corporate Performance Report

- The Corporate Plan 2012-16 was approved in April 2012 which set out the 11 priorities that the council would focus on. In support of the Corporate Plan priorities, activities were captured in service plans.
- The Corporate Performance Report pulls together the different projects and Key Performance Indicators (KPIs) identified through service planning, and aligns them to the Corporate Plan priorities.
- There are 33 projects listed. Of these, thirteen were completed within the year with a further three nearing completion. Of the remainder, twelve are on track, five face some risk and one faces significant risk. There are 39 KPIs listed where tracking data is available. Of these, 26 are on target, four are slightly worse than target and nine are significantly worse than target.

7.11 Actions to address 2011/12 Significant Governance Issues

The following section looks at the progress made against the 2011/12 AGS recommendations. Those that are outstanding will be carried forward to the 2012/13 action plan.

- Staff related
- Staff turnover reports were not available from the I-Trent system. A key indicators report is scheduled to be developed during 2012/13 for all Districts.
Completed action: Workforce information regularly provided to SMT.
Completed action: Regular report to SMT on sickness absence.
- The operation and adequacy of corporate induction arrangements should be reviewed during 2012/13.
Completed action: Recruitment toolkit and induction booklet updated.
- There appears to be growing incidents of officers working long hours, which is exacerbated by staff reductions and a lack of alignment of workloads. This includes attendance at evening meetings.
Outstanding action: Analysis of carry over and flexi leave in progress.
Outstanding action: Review of officer attendance at evening meetings to be undertaken.
- Corporate processes
- The action to review corporate business continuity processes and plans needs to be completed in 2012, and individual service plans need to be reviewed and brought up to date as part of this.
Outstanding action: Review and consolidate business continuity plans in progress.
- The council has introduced new health and safety procedures during the year, although preparing and updating appropriate risk assessments remains an area for further development. The introduction of health and safety maps for each service assists with these, but there has still to be a shift in culture across the council that sees the approach to risk being embedded with managers and staff.
Completed action: Actions arising from health and safety audit undertaken, as well as running health and safety weeks on an annual basis.
- Although training has been provided on the public service equality duty and guidance circulated, this is still an area for further development across the council in 2012. As budget reductions continue, the potentially disproportionate impact on protected groups remains a significant issue. Senior management will need to ensure that staff at all levels are developed in this area.
Completed action: An equality toolkit has been developed and training provided through service team meetings.

- Major projects

- The council is involved in a number of projects and initiatives that are complex in nature, carry the risk of a great financial loss, of a high value or dependent upon working with partners to achieve. There also appears an ease at which new projects are added to work plans.

Completed action: Management accountants have been working closely with service managers to provide support in understanding their costs and developing their projects.
Completed action: Quarterly updates provided to SMT on corporate, service and project targets.

- Corporate issues

- There is a continued need to ensure there is a common platform for corporate standards and codes between the council and its shared service partners to ensure compliance with good governance arrangements.

Completed action: Regular updating of common standards for TDC and shared services. EK Services provided a service plan for 2012/13.

- The political instability of a hung council requires greater detail in support of individual decisions.

Outstanding action: Committee report drafts and decision notices quality check in progress.

8.0 ANNUAL REPORTS - GOVERNANCE AND AUDIT COMMITTEE, OVERVIEW AND SCRUTINY PANEL AND STANDARDS COMMITTEE

- 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. Detailed below are improvements that were identified through this process.

8.1.1 Prior to the first meeting of the committee cycle carry out a training session on the remit of the Committee.

8.1.2 Any new members are provided with an induction to the Committee.

8.1.3 Democratic Services to write to Group Leaders seeking their approval to an approach similar to that operated by the Planning Committee.

8.1.4 Ensure substitutes attend training session prior to first meeting of committee cycle.

- 8.2 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 2012/13 and indicates the panels suggested priorities for 2013/14. The following paragraphs (8.2.1 to 8.2.4) have been taken directly from the annual report of the Chairman of Overview and Scrutiny.

8.2.1 "It is worth noting that although there had been extensive discussion of options for alternative scrutiny arrangements for TDC, leading to a report to the Standards Committee, the Standards Committee accepted suggestions presented to it to postpone any decision until after the processes for establishing the new Health & Wellbeing Boards at District level have been completed. Their recommendations are elsewhere in the agenda for this meeting. This delay is intended to offer Members the opportunity to determine whether there may be a need to make changes to the current scrutiny arrangements in order to assume possible additional scrutiny functions in relation to the Boards that may be devolved to District Councils at the discretion of Kent County Council. It must be added however that there are currently no indications that KCC would like to devolve such scrutiny functions.

- 8.2.2 The approach of using task and finish groups appeared to have worked very well in 2012/13. Those groups that managed to carry out their assigned tasks were de-commissioned and thereby freeing officer resources to be deployed to other Council activities. It may be worthwhile for the Panel to continue with this approach in 2013/14.
- 8.2.3 Members may wish to reconstitute those groups that did not complete their work in 2012/13 and in instances where there is a clear need to refocus the work of the group; the terms of reference would need to be amended to reflect this.
- 8.2.4 There were no Member training activities specific to the work of the Overview & Scrutiny Panel in 2012/13. The Panel may wish to identify any Member training needs in relation to overview and scrutiny activities, determine training strategies and facilitate training for Panel members in order to improve their contribution to the scrutiny process. Any identified training needs could be included in the Council wide Member Learning & Development Programme for 2013/14.”
- 8.3 The annual report of the Standards Committee summarises the work of the committee for the year and provides assurance that the Standards Committee and its sub-committees during 2012 were complying with their statutory responsibilities. The conclusion from the annual report is given below:
- 8.3.1 The Localism Act introduced a new regime for governing standards of member conduct which was significantly different from the previous system.

9.0 SIGNIFICANT GOVERNANCE ISSUES

- 9.1 The identified areas detailed below have arisen from our numerous assessments into the council's governance arrangements for 2012/13 and have been deemed to be significant by SMT and will be addressed during 2013/14.
- 9.2 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.
- 9.3 Identified issues are:
- 9.3.1 Member related
- The political situation with a hung council and changing political dynamics can add to the time taken to reach a resolution that can be acted on and also may have a higher likelihood of decisions being called in.
- 9.3.2 Major projects
- The project management process needs to be reviewed and implemented across the council, as highlighted in the internal audit on risk management. Basic minimum templates are required to be in common usage, which can be expanded to deal with more complicated projects.
- 9.3.5 Corporate issues
- The process for determining disclosure needs to be reviewed, to ensure full publication of information wherever possible to meet with transparency commitment.
 - The asset management disposal process needs to be reviewed to ensure appropriate consultation at political level is undertaken to improve public trust.

- There is the need to improve inspection regimes for maintained buildings and land to identify investment needs as well as deal with insurance claims (especially public liability). This will be especially difficult given the pressures on the repairs budget.
- The council is facing a significant budget gap, due to cuts to Government grants and external pressures such as the insolvency of Transeuropa. The council is taking steps to diversify and generate income through the Port, but this still remains an area of concern.
- The process in respect of East Kent Housing's financial management of the repairs and maintenance and leasehold charges needs to be reviewed.

9.3.6 The areas of concern identified from the internal audit reports for Data Protection, Absence Management, Flexi and Annual Leave, Dog Warden and Litter Enforcement, Thanet Leisure Force and Museums, are being addressed through the report recommendations.

10.0 ASSURANCE SUMMARY

- 10.1 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.
- 10.2 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.
- 10.3 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.

Draft signed by:
Councillor Clive Hart
Leader of the Council
by the 30 June 2013

Draft signed by:
Dr Sue McGonigal
Chief Executive & Chief Financial Officer
by the 30 June 2013