

# REVIEW OF THE EFFECTIVENESS OF THE GOVERNANCE AND AUDIT COMMITTEE AND ANNUAL REPORT FOR 2020/21

<b>Meeting</b>	<b>Council 25 March 2021</b>
<b>Report Author</b>	Chair of the Governance & Audit Committee
<b>Portfolio Holder</b>	
<b>Status</b>	For Information
<b>Classification:</b>	Unrestricted
<b>Ward:</b>	All Wards

## Executive Summary:

The annual report summarises the achievements of the Governance and Audit Committee against its terms of reference for the 2020-21 financial year and details the impact that it has made on the overall system of internal control in operation for that period.

## Recommendation(s):

Members are invited to discuss and note the report.

## Corporate Implications

### Financial and Value for Money

As Council on 11 February 2021, during the discussion and agreement of the budget for 2021/22, the Council noted that the impact of Covid-19 on the council's finances has been profound, as the first wave had a major impact on residents and businesses. It also had a major impact on the council's spending (as we attempted to alleviate the worst aspects of the virus) and income (through reductions in fees and charges, Council Tax and Business Rates). For the current year, the council has administered substantial financial support which includes:

- £1.6m of Hardship grants to Council Tax Support claimants.
- £22m of Business Rates relief to small businesses and those in the Retail, Leisure and Hospitality sectors.
- £35m of business grants in the first wave of Covid.
- An estimated £6m of business grants

In the second wave the council has been exposed to and had to manage a number of significant financial risks.

The budget reflected that, in order to meet the budget gap next year, the Council has identified £840K savings.

The financial management culture of the organisation still requires improvement and a review of financial management is planned which will help stabilise finances and to build for the future. The review of financial management, recommended as part of this Committee's actions, will contribute to improving the internal control environment and good governance.

## Legal

The Council is meeting best practice by having in place a Governance and Audit Committee, as this is not a mandatory or statutory function. In adopting the CIPFA guidance for the terms of reference for the Committee the Council is meeting the standards set out for the public sector.

## Corporate

Under the Local Code of Corporate Governance accepted by the Governance and Audit Committee on 10 December 2014, the Council is committed to comply with requirements for the independent review of the financial and operational reporting processes, through the external audit and inspection processes, and satisfactory arrangements for internal audit. The functions of the Governance and Audit Committee contribute to the overall internal control environment for the Council and feed into the Annual Governance Statement process.

## Equality Act 2010 & Public Sector Equality Duty

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.

Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

This report relates to the following aim of the equality duty: -

- *To foster good relations between people who share a protected characteristic and people who do not share it.*

There are no equity and equalities issues arising directly from this report but the Council needs to retain a strong focus and understanding on issues of diversity amongst the local community and ensure service delivery matches these.

## CORPORATE PRIORITIES

This report relates to the following corporate priorities: -

- Growth
- Environment
- Communities

## 1.0 Introduction and Background

- 1.1 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.
- 1.2 To comply with best practice the Committee considers annually how it has met its terms of reference and how it has impacted on the internal control environment. The purpose of this report is to consider the self-assessment that has been undertaken and summarise any improvement opportunities for the forthcoming year.

## **2.0 Background**

- 2.1 The annual report attached at Annex 1 summarises the work of the Committee for the year and concludes that it has received clear, concise and relevant information, training 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.

Contact Officer: Estelle Culligan, Director of Law and Democracy  
Reporting to: Tim Howes, Director of Corporate Governance

### **Annex List**

Annex 1: Governance and Audit Committee Annual Report 2020/21

### **Background Papers**

*None*

### **Corporate Consultation**

**Finance:** Chris Blundell, Director of Finance and Tim Willis, S151 Officer

**Legal:** Estelle Culligan, Director of Law and Democracy

**THANET DISTRICT COUNCIL  
RECORD OF DECISION OF CABINET / INDIVIDUAL CABINET MEMBER**  
*(Delete the inapplicable)*

Name of Cabinet Member:

Relevant Portfolio:

Date of Decision:

Subject:

Key Decision: Yes/No

In the Forward Plan: Yes/No

**Brief summary of matter:**

*(Enter text here)*

**Decision made:**

*(Enter text here)*

**Reasons for decision:**

*(Enter text here)*

**Alternatives considered and why rejected:**

*(Enter text here)*

**Details of any conflict of interest declared by any executive Member who has been consulted and of any dispensation granted by the Standards Committee:**

*(Enter text here)*

**Author and date of officer report:**

*(Enter text here)*

**Background papers:**

*(Enter text here)*

**Statement if decision is an urgent one and therefore not subject to call-in:**

*(Enter text here)*

Signature:

*(Only needed if an individual Cabinet Member Decision - Delete when completing template)*