

Thanet District Council Draft Annual Governance Statement 2022-2023

July 2023

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Scope of responsibility

Thanet District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money allocated to it is safeguarded, properly accounted for, and used economically, efficiently and effectively. The 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. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

The Accounts and Audit (England) Regulations 2015 requires all relevant bodies to prepare and publish an Annual Governance Statement.

The purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values by which the Council directs and controls its activities and how it leads, engages with and accounts to the community it serves. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The internal control system is a significant part of that framework and is designed to manage risk to an acceptable level. It cannot eliminate all risks of failure to achieve the Council's aims and objectives, but it seeks to provide reasonable rather than absolute assurance of effectiveness. The internal control system is based on an ongoing process designed to identify, prioritise and manage the risks to achieve the Council's aims and objectives.

The Governance Framework

The Council's Governance Framework addresses how the Council is controlled and managed, both strategically and operationally, and how it will deliver its services. The Framework recognises that the Council's business focuses on its corporate priorities and seeks to facilitate delivery to our local communities of the goals set out in the Corporate Plan. The structures and processes, risk management and other internal control systems, such as standards of conduct, form part of this Framework, which is about managing the barriers to achieving the Council's objectives.

Members and senior officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. This task is managed by the Corporate Management Team (CMT), which comprises the Chief Executive, Corporate

Directors and Directors. The Corporate Governance Code sets out the controls in full and can be found at:
<https://democracy.thanet.gov.uk/documents/s75835/Annex%201%20Local%20Code%20of%20Corporate%20Governance%20March%202022.pdf>



Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by:

- the work of the Monitoring Officer and Section 151 Officer, who has responsibility for the development and maintenance of the governance environment;
- the review of the effectiveness of the Council's Internal Audit Arrangements 2022/23, as provided by the East Kent Audit Partnership;
- comments made by the external auditors and other review agencies and inspectorates;
- The Audit & Governance Committee's review that the elements of the governance framework are in place and effective, to ensure compliance with the principles.

The following Annual reports form part of that review:-

- Annual report of the Standard Committee;
- Annual report of the Overview and Scrutiny Panel
- Annual report of the Head of Internal Audit
- Annual report of the Governance and Audit Committee

In accordance with section 3.7 of the Code of Practice on Local Authority Accounting for 2022/23, the Council's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the CFO in Local Government.

The Council's Monitoring Officer is legally responsible for looking into matters of potential unlawfulness within the Council. In 2022/23. There was no constitutional review undertaken by the constitutional working party as IMO recommendations as well as s24 review was in progress.

The Annual Reports from the Standards Committee, Overview and Scrutiny Panel and Governance and Audit Committee were considered by Council on 30 March 2023 and have also been considered in preparing this statement which can be found under the following links.

Annual Report of the Overview and Scrutiny Panel

<https://democracy.thanet.gov.uk/documents/s80717/Annual%20OSP%20Report%20-%20Google%20Docs.pdf>

Annual Report of the chair of the Standards committee

<https://democracy.thanet.gov.uk/documents/s80687/Chair%20Of%20Standards%20Committee%20report%202023%20-%20Google%20Docs.pdf>

Annual Report of the Chair of Governance and Audit Committee

<https://democracy.thanet.gov.uk/documents/s80689/GA%20Covering%20Report%202022-23%20-%20Google%20Docs.pdf>

Council

Councillor Ash Ashbee was first elected as a Leader of the Council and formed a Conservative Cabinet in June 2021. She continued to lead her party as a Leader of the Group until March 2023.

The Council has a Conservative Leader and Cabinet, the largest group. The Council remains in no overall control with 27 Conservatives, 16 Labour, 6 Greens and Independents, 5 Thanet Independents and 2 Independents.

The Council's Corporate Statement and supporting Core Business Objectives for 2019-2023 can be found at the link below. There is likely to be a new administration after the local election in May 2023. The core business objective will therefore be revised in accordance with the new administration.

<https://democracy.thanet.gov.uk/documents/s66020/Corporate%20Statement%202019-2024.pdf>

Internal Audit

The primary objective of Internal Audit is to provide independent assurance to Members, the Chief Executive, Directors and the Section 151 Officer on the adequacy and effectiveness of those systems on which the Authority relies for its internal control. The purpose of bringing forward an annual report to members is to:

- Provide an opinion on the overall adequacy and effectiveness of the Council's internal control environment.
- Present a summary of the internal audit work undertaken to formulate the opinion, including reliance placed on work by other assurance bodies,
- Draw attention to any issues the Head of the Audit Partnership judges particularly relevant to the preparation of the Annual Governance Statement.
- Compare actual audit activity with that planned, and summarise the performance of Internal Audit against its performance criteria.
- Comment on compliance with the Public Sector Internal Audit Standards (PSIAS), and report the results of the Internal Audit quality assurance programme.
- Confirm annually that EKAP is organisationally independent, whether there have been any resource limitations or instances of restricted access.

The EKAP delivered 103.49% of the agreed audit plan days to TDC. The performance figures for the East Kent Audit Partnership as a whole for the year show good performance against the targets. It is the opinion of the Head of Audit that sufficient work has been undertaken to be able to support an opinion for 2022-23.

No system of control can provide absolute assurance, nor can Internal Audit give that assurance. This opinion is intended to provide assurance that there is an ongoing process for identifying, evaluating and managing the key risks.

The opinion for Risk Management confirmed that arrangements for the Council's risk management framework are effective.

The internal auditors are independent of the management of the Council and have direct access to the Chair of the Governance and Audit if required. They provide a regular update to the Committee at each quarterly meeting and may attend any special meetings that may be convened during the year.

External Audit

The external audit work of the Council is undertaken by Grant Thornton UKLLP. The main duties are governed by section 15 of the Local Government Finance Act 1982, and the Local Audit and Accountability Act 2015 section 4

Each year the Council receives a report from its external auditor on the quality of its financial and management administrative arrangements. This is considered the Governance and Audit Committee.

The Council in the final stages of concluding its 2020/21 accounts and audit process and this culminated in the final external audit opinion being presented to the Governance and Audit Committee meeting in July 2023. It is confirmed that the Council has received an unqualified audit opinion and final details and sign off arrangements are being concluded.

The production of the council's draft 2021/22 accounts are nearing completion and it is anticipated that they will be published in August 2023, with the 2022/23 accounts to follow shortly thereafter.

Overview and Scrutiny Panel

Links to the Panel's annual report to Council on 30th March 2023 can be found here. In total there were 10 meetings of the O&S Panel.

19th April 2022;

<https://democracy.thanet.gov.uk/documents/g5956/Public%20reports%20pack%2019th-Apr-2022%2019.00%20Overview%20Scrutiny%20Panel.pdf?T=10>

26th May 2022;

<https://democracy.thanet.gov.uk/documents/g5957/Public%20reports%20pack%2026th-May-2022%2019.00%20Overview%20Scrutiny%20Panel.pdf?T=10>

21st July 2022;

<https://democracy.thanet.gov.uk/documents/g6182/Public%20reports%20pack%2021st-Jul-2022%2019.00%20Overview%20Scrutiny%20Panel.pdf?T=10>;

30th August 2022;

<https://democracy.thanet.gov.uk/documents/g6183/Public%20reports%20pack%2030th-Aug-2022%2019.00%20Overview%20Scrutiny%20Panel.pdf?T=10>

25th October 2022;

<https://democracy.thanet.gov.uk/documents/g6184/Public%20reports%20pack%2025th-Oct-2022%2019.00%20Overview%20Scrutiny%20Panel.pdf?T=10>

22nd November 2022 - the meeting was postponed.

24th November 2022;

<https://democracy.thanet.gov.uk/documents/g6378/Public%20reports%20pack%2024th-Nov-2022%2019.00%20Overview%20Scrutiny%20Panel.pdf?T=10>

17th January 2023;

<https://democracy.thanet.gov.uk/documents/g6186/Public%20reports%20pack%2017th-Jan-2023%2019.00%20Overview%20Scrutiny%20Panel.pdf?T=10>

16th February 2023;

<https://democracy.thanet.gov.uk/documents/g6187/Public%20reports%20pack%2016th-Feb-2023%2019.00%20Overview%20Scrutiny%20Panel.pdf?T=10>

14th March 2023.

<https://democracy.thanet.gov.uk/documents/g6188/Public%20reports%20pack%2014th-Mar-2023%2019.00%20Overview%20Scrutiny%20Panel.pdf?T=10>

Members welcomed and noted the reports including the various presentation by the committee.

Governance and Audit Committee

The Committee continues to discharge its responsibilities to provide independent assurance on the adequacy of the council's risk management framework and the associated control environment and in providing robust scrutiny and challenge of the Authority's financial performance.

Links to the Panel's annual report to Council on 30th March 2023 can be found here. In total there were 4 meetings of the Governance and Audit Committee.

27th July 2022;

<https://democracy.thanet.gov.uk/documents/g6197/Public%20reports%20pack%2027th-Jul-2022%2019.00%20Governance%20Audit%20Committee.pdf?T=10>;

28th September 2022;

<https://democracy.thanet.gov.uk/documents/g6200/Public%20reports%20pack%2028th-Sep-2022%2019.00%20Governance%20Audit%20Committee.pdf?T=10>;

30th November 2022;

[/https://democracy.thanet.gov.uk/documents/g6203/Public%20reports%20pack%2030th-Nov-2022%2019.00%20Governance%20Audit%20Co](https://democracy.thanet.gov.uk/documents/g6203/Public%20reports%20pack%2030th-Nov-2022%2019.00%20Governance%20Audit%20Co);

8th March 2023

<https://democracy.thanet.gov.uk/documents/g6206/Public%20reports%20pack%2008th-Mar-2023%2019.00%20Governance%20Audit%20Committee.pdf?T=10>;

Members welcomed and noted the reports

Standards Committee

Links to the committee's annual report reported to Council on 30th March 2022 can be found here:

The Standard Committee scheduled their 4 meetings out of which three were cancelled due to lack of business. There was consequently only one meeting which was held on 10th November 2022.

31st May 2022 - cancelled;

13th September 2022 - cancelled;

10th November 2022;

<https://democracy.thanet.gov.uk/documents/g6202/Public%20reports%20pack%2010th-Nov-2022%2019.00%20Standards%20Committee.pdf?T=10>

9th March 2023 - Cancelled

Members welcomed and noted the report.

New Members of the committee

There were no new members appointed during the period of the 2022/23 municipal year.

Training

Democratic Services has maintained training provisions for councillors in providing the usual induction training programme for new councillors, regular planning committee training, training on the Code of Conduct and Standards etc.

Constitutional Review Working Party (CRWP)

The Constitutional Review Working Party did not meet during the period of 2022/23 as there was specific IMO recommendation which needed to be implemented by the Interim Monitoring Officer.

In order to undertake the full review of the constitution and to ensure that the IMO's recommendations were reviewed, endorsed and adopted in full, Bevan Britton was appointed to work alongside the Interim Monitoring Officer. This work will continue to form part of the council's constitutional review in the preceding year.

General Purpose Committee

There were a number of GPC held during the year. The first was held on 5th July 2022 to appoint two interim Statutory officers. In total there were 6 General Purposes Committees held during the period, one of which was cancelled.

Given the IMO's recommendation and s24 review it was necessary to take on interim to lead the council. A new Interim Chief Executive and Interim Monitoring Officer was appointed by the GPC which was endorsed by Council.

In November 2022, GPC commenced the review of its HR policies as Phase 1 which included the following:-

Final Absence Management Policy and Procedure;

Final Bullying and Harassment Policy and Procedure;

Final Disciplinary Policy and Procedure;

Final Grievance Policy and Procedure;

Final Performance Management Policy and Procedure;

Final some other substantial reason policy and procedure;

Final Whistleblowing Policy

Since the HR function had been brought back inhouse, it had become necessary to review the HR polices which included a number of polices recommended for review by the IMO in his report. The policies also dealt with vexatious complaints as well as ensuring that best practice was built into these key polices for the council.

The GPC in January 2023 also set out the proposal for the Senior Management structure with a detailed timescale for recruitment of Directors and other Senior officers of the council.

Corporate risks

The Governance and Audit Committee regularly receives reports on the Corporate Risk Register (CRR), a framework through which the council are required to monitor and manage its corporate risks.

Following numerous internal and external factors, a full review was needed to reflect the changes to Thanet District Council.

Quarterly Internal Audit report provided the council with regular updates on the new audits carried out by Internal East Kent Audit Partnerhsip. The Internal Audit Charter and Draft Internal Audit Plan further provided the council with the Audit Charter for the next 3 years as well as for the 2023-24.

Details were fully presented to G&A committee in March 2023 which can be found here.

<https://democracy.thanet.gov.uk/documents/g6206/Public%20reports%20pack%2008th-Mar-2023%2019.00%20Governance%20Audit%20Committee.pdf?T=10>

Ombudsman Complaints

The Ombudsman received 27 complaints and took the following decision on them.

The decision of the Ombudsman	Reason,	No of cases,
Upheld	Maladministration & injustice	3
Upheld	Fault & Injustice	8

Upheld	Maladministration & injustice - no further action as satisfactory remedy provided by the organisation	1
Not upheld	No Fault	1
Closed after initial enquiries	No further action	12
Closed after initial enquiries	Out of Jurisdiction	2

The Ombudsman did not issue any public reports against the Council in the year.

Independent Monitoring Officer's Report

Employment matters

A number of employment matters are outstanding during the year 2021-22 which were all concluded but 2 which will be ongoing in 2022-23 and 2024.

Appointment of Independent Monitoring Officer (IMO)

The previous Annual statement outlined in details the recommendations of the IMO.

A full report of the IMO can be found below:

<https://www.thanet.gov.uk/wp-content/uploads/2022/05/Lessons-Learnt-Report-Public-Summary.pdf>

The fundamental recommendation from the Auditors was to commission a report from an independent monitoring officer from another Council who would look into these issues. Quinton Baker from Hertfordshire County Council was appointed.

Mr Baker's produced this report in May 2022, and since then this report had been considered by council, with the recommendations being approved.

The conclusions reached by the IMO in 2021 were not comfortable for the council, highlighting significant disruption in Council/Officer relations as well as relations between senior officers and the need to thoroughly review staffing procedures including establishing good working relationship between officers and members. The recommendations also included revising various HR policies and procedures for the Council.

As part of the constitutional review Beven Briton was appointed by the council to work alongside the Interim Monitoring Officer of the Council a project which will continue in year 2023/24.

An action plan was produced to keep track of work undertaken to date which can be found under:-

<https://democracy.thanet.gov.uk/documents/s80721/Annex%201%20IMO-%20Google%20Sheets.pdf>

IPCO inspection

The Council was subject to IPCO inspection in 2022 which as part of the inspection made several recommendations for improvement.

Apart from reviewing the council RIPA policy which had not been reviewed since 2018 there were recommendations for training of key officers, including Senior members. The retention, review and destruction of material obtained through the use of covert powers is required under the safeguard chapters of the Home Office and is a legal requirement.

There were formal training provided to all Senior officers of the council including key personnel who would be authorising the covert surveillance if necessary. The policy of the council was initially reviewed and endorsed by the G&A committee in July 2022 which will be updated in 2023.

Approval of the Annual Governance Statement

The governance arrangements continue to be regarded as fit for purpose in accordance with the Governance Framework.

Signed:

Colin Carmichael (Interim Chief Executive) Interim Chief Executive

Councillor Rick Everitt - Leader of the Council.

Date: 26th July 2023

