

**NORTH DEVON COUNCIL**

Minutes of a meeting of Governance Committee held at Barum Room - Brynsworthy on Tuesday, 12th November, 2024 at 6.30 pm

PRESENT: Members:

Councillor Norman (Chair) and Clayton (Leader)

Councillors Haworth-Booth, Jones, Orange, Quinn, Walker and Whitehead

Officers:

Director of Resources and Deputy Chief Executive, Head of Governance and Senior Solicitor and Monitoring Officer

Also Present in person:

Councillor Clayton (Leader)  
Bradley Hutton, Internal Auditor (Devon Assurance Partnership (DAP)).

Independent Co-Opted Member: N Whitmore

Also Present virtually:

Alex Walling, External Auditor (Bishop Fleming)  
Paul Clarke (Local Government Association).

**124. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Stevenson.

Councillor Bushell had emailed giving his apologies prior to the commencement of the meeting although that had not been seen prior to the meeting, hence the apologies not being noted.

**125. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 23RD SEPTEMBER 2024**

RESOLVED that the minutes of the meeting held on 23<sup>rd</sup> September 2024 (circulated previously) be approved as a correct record and signed by the Chair.

**126. DECLARATIONS OF INTERESTS.**

There were no declarations of interest declared.

**127. REVIEW OF CHIEF OFFICER SALARY LEVELS**

The Director of Resources and Deputy Chief Executive, and Head of Governance left the meeting for the duration of this item.

The Committee considered a report by the Leader on the Review of Chief Officer Salary Levels.

Councillor Clayton addressed the Committee in his role as Leader.

The Leader addressed the Committee and advised of the following:

- The Statutory Pay Policy 2024 had been considered by Full Council on 27<sup>th</sup> March 2024. That policy presented the comparable pay multiple of the Head of Paid Service to the lowest paid employee.
- The remuneration for the Chief Executive was the lowest in comparison with District Councils in the area.
- The Statutory Pay Policy 2024 required that the 'Salary levels will be consistent with similar organisations which aim to pay according to median (average) salaries'.

Paul Clarke, of the Local Government Association, addressed the Committee. He advised the Committee that:

- This item had been delayed by the 2024 General Election. Chief Officers' pay should be regularly reviewed yet had not been done since 2019.
- Although the areas of work covered by the different Local Authorities, and their Senior Officers, did vary, on the whole the salaries for those roles at NDC remained the lowest.
- The role of Deputy Chief Executive was also slightly lower (based on the policy) the role of Head of Paid Service / Chief Executive had the greatest disparity.
- It was important to review the salaries of chief officers in line with the other staff (who had annual reviews).

The Committee discussed:

- That should any of these roles need to be re-filled, then it would be difficult to do so when the salaries were the lowest in the area. This would provide problems if trying to attract new senior staff.
- That staff had salary 'scales' rather than 'spot' salaries as the Chief Officers did.

RESOLVED that;

- a) Members note the independent comparative pay analysis report from the Local Government Association,
- b) That in considering the information contained in (a) above, carry out a review of the Chief Officer Salary levels and following their review, make recommendations to Full Council on the level of remuneration considered appropriate or, if no changes to remuneration are recommended, the changes required to the Statutory Pay Policy to reflect that decision.
- c) Subject to (b) above, if recommendations are made to Full Council that these be subject to an Equality Impact Assessment being included, and
- d) That salary scales be created for the Tier 1 and Tier 2 posts.

The Leader left the meeting.

The Director of Resources and Deputy Chief Executive, and Head of Governance returned to the meeting after this item.

**128. GOVERNMENT CONSULTATION - ENABLING REMOTE ATTENDANCE AND PROXY VOTING AT COUNCIL MEETINGS**

The Head of Governance addressed the Committee in relation to the Government Consultation in respect of Enabling Remote Attendance and Proxy Voting at Council Meetings.

The Consultation questions was presented to the Committee with the proposed responses which the Council considered providing as the Authority's response.

The Head of Governance advised that Committee that:

- This would be the Authority's response. Individual Councillors could provide their own responses to the Consultation if they wished.
- The Authority was in favour of the proposal to enable remote attendance but was not of the opinion that proxy voting should be permitted.

The Committee discussed the proposals and questions as presented.

The Committee were in agreement with the proposal to allow remote attendance, but not proxy voting.

The Committee noted the advantages for remote attendance especially as the North Devon District was geographically large and this would prevent the need for some from those parishes which were further away having long drives, which would in turn enable them to attend meetings easier during the working day. It was also felt that in times of bad weather this would be a safer option for Councillors.

The Committee felt that proxy voting could be deemed to be pre-determination and felt that Councillors should attend meetings and be privy to discussions prior to deciding on how to vote.

RECOMMENDED that the consultation responses be submitted as presented.

**129. INTERNAL AUDIT IN-YEAR MONITORING REPORT 2024-25**

The Committee considered a report by Devon Assurance Partnership (DAP) regarding the Internal Audit In-Year Monitoring Report 2024-25 (circulated previously).

The Internal Auditor (BH) advised that the Internal Audit In-Year Monitoring Report 2024-25:

- A further three reports had been completed since the last Governance Committee (in September 2024). Those reports were Corporate Programme Management, Creditors, and Corporate Planning. All had achieved a 'Substantial Assurance' rating.
- Work had now commenced on the following audits: Controls around assets and artefacts at the museum, Procurement, CCTV, Regeneration Projects, Council Tax and Non-Domestic Rates, Customer Service Centre, Emergency Planning, and Business Continuity.
- The report included the High Level Summary Internal Audit Plan. This set out the works to do, and that in progress and completed, with colour coding for their status and ratings. There were no 'Limited' or 'No assurance' ratings.

In response to questions from the Committee, the Internal Auditor confirmed:

- The auditors were happy with the progress made to-date through the planned audits. They had been well-planned and scoping works had been completed in advance of the programme dates.
- They were in a good position to be able to meet the new Audit Standards. Independent advice had been sought.

The Internal Auditor wished to pass on thanks from DAP for the co-operation received from the NDC officers in those teams involved in the audits.

RESOLVED that the Internal Audit In-Year Monitoring Report 2024-25 be noted.

**130. EXTERNAL AUDIT COMPLETION REPORT**

The Committee considered a report by Bishop Fleming regarding the External Audit –Completion report (circulated previously).

The External Auditor confirmed:

- The report, when presented by the previous auditors, was referred to as an Audit Findings Report.

- This was a positive report and the auditors had received great engagement from the Authority's finance team, with good communications throughout.
- The report set out the work and findings on the accounts, and presented these to the Authority.
- It was noted that the letter from the Devon Pension Fund (which was outstanding) had now been received.
- The audit was substantially completed.
- The audits were each rated using a traffic-light colour system. All were positive.
- In terms of the valuation of Property, Plant and Equipment, there had been a minor error (transposition error) which was immaterial and would be corrected in the next financial year.
- There had been a net reduction on the Pension Fund liability.

RESOLVED that it being 7:39 pm the meeting adjourn for five minutes for a comfort break.

RESOLVED that it being 7:44 pm, the meeting now re-convene.

The External Auditor confirmed:

- Within the 'Other Matters' section of the report:
  - There were no exceptions to report.
  - The Value for Money (VfM) work would be reported to the Committee in January 2025.
  - The Report to the National Audit Office (NAO) would require minimum work as the Authority was below the threshold, although the NAO may request further work in relation to Whole of Government Accounts. This would not be confirmed until early 2025.
  - An additional fee would be charged for the work in relation to revisions to ISA 315.
  - There would also be a fee in relation to additional procedures incurred for compliance with IFRIC 14 (Pension disclosures).
  - The fees would be presented to the Public Sector Audit Appointments Ltd (PSAA) for approval.

In response to questions from the Committee, the External Auditor confirmed that:

- The AGS provided a 'reality-check' and questioned whether the reports provided what we needed to know about the Authority, and was that represented on the Risk Register.
- Although the accounts had not-yet been signed-off this would be done within the deadline.

The Director of Resources and Deputy Chief Executive confirmed that the outcomes from the report would be presented to Full Council alongside the final set of accounts for approval by the members prior to final sign-off.

RESOLVED that the External Audit Completion Report be noted.

**131. EXTERNAL AUDIT - AUDITORS ANNUAL REPORT**

The Committee considered a report by Bishop Fleming regarding the External Audit – Auditor’s Annual Report (circulated previously).

The External Auditor confirmed:

- The report was a draft – until the opinion had been issued on the accounts.
- This was a public report to be published online once finalised.
- This was a positive report.
- The numbers presented were largely affected by the fact that the previous annual report was only published by the previous auditors (Grant Thornton) in January 2024, so there had not been much time since then to address any issues identified.

The Director of Resources and Deputy Chief Executive reconfirmed that some of the recommendations included had been from the 2022/23 audit, and that there had been less recommendations in 2023/24.

RESOLVED that the External Audit – Auditor’s Annual Report be noted.

**132. LETTER OF REPRESENTATION**

The Committee considered the Letter of Representation, presented by the Director of Resources and Deputy Chief Executive (circulated previously).

The Director of Resources and Deputy Chief Executive explained that:

- The Letter of Representation formally responds from the Council to the External Auditors, the governance arrangements in place and the Authority’s responsibilities on the financial statements presented.
- The document sets out the disclosures made to the Auditors regarding estimated figures in relation to the value of assets and liabilities.
- The Authority was unaware of any further risks other than those already disclosed.
- The Letter was presented to the Committee today, in advance of the Full Council meeting taking place on 20<sup>th</sup> November 2024.
- The Letter was required as part of the final process for the approval of the Statement of Accounts for 2023/2024 and the formal sign off from the external auditors.

RECOMMENDED that the Letter of Representation be approved by Full Council.

**133. AUDIT RECOMMENDATION TRACKER**

The Committee considered the Audit Recommendation Tracker report by the Chief Executive in respect of actions taken to address internal and external audit recommendations (circulated previously).

The Committee noted the following updates:

- The layout of appendix A of the report had been amended following a recommendation from the previous meeting of the Committee. Details had now been updated to clearly identify which audits were not yet due, and those which were overdue, under each risk level.
- It was noted that of those overdue, only one was at the medium/high level risk. Risks of a low-level were not reported to the Committee.
- There were 24 live audit reports – as listed in table A. Of these 24, 19 were not yet due, leaving 5 overdue (4 low risk and 1 high risk).
- 20 recommendations had been included in table B (recommendations completed since the last meeting of the Governance Committee).
- Table C detailed only one recommendation for which a time extension was being requested. The Asset Management Strategy relating to that audit recommendation (22 EM 01) had now been approved by Strategy and Resources and would be presented to Full Council. The extension would allow for the time required to include the date of the next Full Council meeting.
- Table D confirmed there were no outstanding recommendations.
- The recommendations in Table E (Annual Governance Statement) would be completed towards the end of 2024/25 financial year.

RESOLVED:

- (a) that the time extensions requested in the Audit Recommendation Tracker be approved; and
- (b) that the Audit Recommendation Tracker be noted.

#### **134. WORK PROGRAMME**

The Committee considered the work programme for 2024-25 (circulated previously).

The Committee noted the following items which would be considered at the Committee meeting in January 2025:

- The Emergency Planning Update – covering the Community Risk Register.
- The Chief Officer Salary Levels report would come back to Committee in January prior to being presented to Full Council (January 2025).

RESOLVED that the work programme for 2024-25 be noted.

Chair

The meeting ended at 8.12 pm

NOTE: These minutes will be confirmed as a correct record at the next meeting of the Committee.