

**NORTH DEVON COUNCIL**

Minutes of a meeting of Governance Committee held at Barum Room - Brynsworthy on Tuesday, 3rd September, 2019 at 6.00 pm

PRESENT: Members:

Councillor Roome (Chairman)

Councillors Bushell, Henderson, Jenkins, Saxby, Topps and Walker

Officers:

Chief Executive, Head of Resources, Head of Environmental Health and Housing (Present for minutes 18 to 22), HR Manager and Senior Solicitor/Monitoring Officer

Also Present: M. Towler (MAZARS)

**18. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Campbell and Phillips.

**19. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 22ND JULY 2019.**

RESOLVED that the minutes of the meeting held on 22nd July 2019 (circulated previously) be approved as a correct record and signed by the Chairman.

**20. DECLARATIONS OF INTERESTS.**

There were no declarations of interest announced.

**21. HALF YEARLY REPORT FROM THE CHAIR OF THE GOVERNANCE COMMITTEE**

The Committee considered the Half Yearly Report of the Chairman of the Governance Committee (circulated previously).

RESOLVED that the report be noted and proceed to Council for consideration.

**22. POLICY FOR PREVENTING AND CONTROLLING VIOLENCE, AGGRESSION AND OTHER UNREASONABLE CUSTOMER BEHAVIOUR**

The Committee considered the Policy for Preventing and Controlling Violence, Aggression and other Unreasonable Customer Behaviour (circulated previously).

The Head of Environmental Health and Housing advised the Committee that the policy:

- concerned the welfare of the Authority's staff and the assessment of risk. It provided the opportunity to introduce pro-active controls.
- promoted a 'zero tolerance' approach and would correctly equip the staff to deal with issues of unreasonable behaviour.
- had been considered by both staff and Unison.

The Head of Environmental Health and Housing added that although risks were covered the issue of near-misses had not yet been specifically written into the policy, although the recording of these was as important as recording actual incidents. He requested the Committee approve the addition of the wording regarding the recording of 'near-misses'.

RESOLVED that:

- a) the wording on the Policy for Preventing and Controlling Violence, Aggression and other Unreasonable Customer Behaviour be amended to include 'near-misses'; and
- b) the Policy for Preventing and Controlling Violence, Aggression and other Unreasonable Customer Behaviour be noted.

### **23. INTERNAL AUDIT ANNUAL REPORT**

The Committee considered a report by MAZARS Public Sector Internal Audit Limited regarding the Internal Audit Annual report for 2018/19 (circulated previously).

The Committee was advised of the following in relation to the Internal Audit Annual Report 2018/19:

- 18 Audits had been undertaken during the 2018/19 year.
- Although the report stated that six audits were still in draft format, the Auditor confirmed that now only one or two were now still drafts. He was satisfied with the progress of the audit to date.
- There had been very little change since the previous year and therefore been no need to change the opinion.
- The opinion for 2018/19 on both the financial systems, and non-financial systems, was that "Internal controls within operational and financial systems operating throughout the year are fundamentally sound".
- MAZARS had met or exceeded three of the four Performance measures – missing the fourth (Average customer satisfaction score target) by 0.17 (the target was 4, but they attained a score of 3.83).

RESOLVED that the Internal Audit Annual report 2018/19 be noted.

**24. INTERNAL AUDIT CHARTER**

The Committee considered a report by MAZARS Public Sector Internal Audit Limited regarding the Internal Audit Charter (circulated previously).

The Committee was advised of the following in relation to the Internal Audit Charter:

- The Charter was provided by the internal auditors on an annual basis. The document provided the details of the Charter and clearly identified each area of responsibility and lines of defence.
- The Charter was a fairly generic document as provided to all councils although there would be small amendments to account for details specific to the individual council's governance etc.

RESOLVED that the Internal Audit Charter be noted.

**25. INTERNAL AUDIT PROGRESS REPORT**

The Committee considered a report by MAZARS Public Sector Internal Audit Limited regarding the Internal Audit Progress Report 19/20 (circulated previously).

The Committee was advised of the following in relation to the Internal Audit Progress Report 19/20:

- The report set out the current position in respect of the audits being undertaken in 2019/20.
- There were 19 audits in the plan. Of these one was currently in draft and two others were still in progress.
- MAZARS had been slightly behind schedule due to personnel issues but these had now been resolved and the backlog was being worked on. They were happy that the works would be completed by the end of the year.

In response to a question from the Committee, the Internal Auditor explained that although there were three audits listed as 'High Risk' these would still be completed within the planned timescale. Audit 'Main Accounting System and Budgetary Control' had already been started and it was not expected that there would be any delay.

The Head of Resources advised the Committee that, should any extensions be required to the audit, these would be requested and audit recommendations monitored via the Audit Recommendation Tracker.

RESOLVED that:

- a) the Head of Resources would alert the Committee of any possible further delays to the Auditors work; and

- b) the Internal Audit Progress report for 19/20 be noted.

**26. EXTERNAL AUDIT ANNUAL AUDIT LETTER**

The Committee considered a report by Grant Thornton regarding the External Audit Annual Audit Letter (circulated previously).

The Head of Resources provided the Committee with an update on behalf of the External Auditors. He advised the Committee of the following points in the External Audit Annual Audit Letter:

- The Executive Summary included the details of the successful outcomes of their work with the Council, their audit approach, Value for Money conclusion, Best Practice reports, details of any significant audit risks and the fees of the External Audit during the year.
- The Value for Money Conclusion was that they were 'Satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2019'.
- They wished to forward their appreciation for the Council staff during the audit.
- An 'Unqualified' opinion had been made and published on the Council's website.
- The Audit fees of £40,999 were lower than those of 2017/18 however, this figure included an additional £4,500 yet to be approved by the Public Sector Audit Appointments (PSAA).
- A fee of £21,253 due for 'non-audit services' covered the Certification of Housing Benefit.

The Head of Resources added that, in relation to the identified significant risks:

- Valuation of land and buildings: Grant Thornton had again recommended that the Council change the date of the valuation to 31<sup>st</sup> March (from 1<sup>st</sup> April) to match the balance sheet date. The Council had resisted this previously as it could result in the statutory accounts being delayed. The Council were looking into the matter further to see if the date could be brought forward in order to assist the auditors.
- Valuation of net pension liability: a note relating to the McCloud judgement had now been included within the Accounts.

In response to a question from the Committee, the Head of Resources confirmed that the Local Authorities would not be recompensed for the costs incurred following the McCloud judgement.

RESOLVED that the External Audit Annual Audit Letter be noted.

**27. EXTERNAL AUDIT PROGRESS REPORT AND SECTOR UPDATE**

The Committee considered a report by Grant Thornton regarding the External Audit Progress Report and Sector Update (circulated previously).

The Head of Resources advised the committee of the following points (in the absence of the external auditors) in the External Audit Progress Report and Sector Update:

- The Certification of Housing Benefit would be started shortly and would be concluded by the end of November 2019.
- The report detailed the Audit deliverables of 2018/19 as completed, except for the Annual Certification Letter which was planned for December 2019.

RESOLVED that the External Audit Progress Report and Sector Update be noted.

## **28. 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:

- Table A detailed the 20 live recommendations.
- Table B detailed the recommendation completed since the last meeting of the Committee.
- Table C detailed 2 recommendations for which time extensions were being requested. It was noted that each was now at 80% completion and it just remained for them to be presented to the Managers' Forum (18<sup>th</sup> September 2019).

In response to a question from the Committee, the Chief Executive advised that the Council had previously had a dedicated Equalities Officer. Following cutbacks this post had not been replaced. The works had now been assigned to the Corporate and Community Services Team.

RESOLVED that:

- (a) the actions completed since the 22nd July 2019 Committee meeting be noted;
- (b) time extension be granted for those recommendations as listed in table C; and
- (c) the Audit Recommendation Tracker be noted.

**29. WORK PROGRAMME 2019-2020**

The Committee considered the work programme for 2019/20 (circulated previously).

The Chief Executive addressed the Committee and explained the purpose of the work programme and that the Members were able to make suggestions for agenda items to add to the programme.

In response to questions from the Committee, the Chief Executive confirmed that:

- Under the previous Corporate Plan the Authority had two priorities, one of which was service improvement. Those improvements were encompassed in the 21:21 project. As the Authority looks to adopt its new Corporate Plan, with four priorities, the 21:21 programme would evolve to take these on board. Works to the new ICT infrastructure and new telephony systems were in progress. These would update the customer experience.
- Update on Governance Arrangements had been provisionally placed on the work programme to provide a six month update since the implementation of the new Committee structure. The previous Council had been established under an Executive Structure which had been considered to be restrictive and not inclusive to all parties. Initial feedback had suggested that the new structure was more inclusive and working well. The method and format of that review had not yet been decided, although feedback from the Chairs of the other Committees could be involved, and asked to attend the Governance Committee for that review.

RESOLVED that:

- a) the Senior Management Team (SMT) be invited to provide their feedback to the Chief Executive in relation to the Governance arrangements;
- b) the Chairs of the other Committees be invited to provide their feedback to the Chief Executive in relation to the Governance arrangements and attend the Governance Committee in January 2020;
- c) the Chief Executive circulate (via the Corporate and Community Services Officer) additional information regarding the 21:21 project to the Committee prior to the next Committee meeting; and
- d) the Work Programme 2019/20 be noted.

**30. EXCLUSION OF PUBLIC AND PRESS AND RESTRICTION OF DOCUMENTS**

RESOLVED:

- (i) That, under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item as it involved the likely disclosure of exempt information as defined by Paragraph 2, part 1 of Schedule 12A of the Act (as amended from time to time), namely information which is likely to reveal the identity of an individual, and Paragraph 3 of part 1 of Schedule 12A of the Act (as amended from time to time), namely information relating to the financial or business affairs of any particular person (including the authority holding that information).
- (ii) That all documents and reports relating to the items be confirmed as “Not for Publication”.

### **31. CORPORATE RISK REGISTER**

The Committee considered the Corporate Risk Register (circulated previously).

The Chief Executive addressed the Committee and advised that the CORGI group (the group which maintains and monitors the Corporate Risk register) had recently met and updated the register. The updated version had been provided separately to the original agenda. He advised that the Authority had a risk system in place but that any risks which were far-reaching (ie outside of their own team or unit) were added to the Corporate Risk Register.

In relation to specific items on the Risk Register the Chief Executive advised:

- F CRR 51: the new planning system would facilitate the monitoring of section 106 contributions. The new system will need to be populated with the data. In the meantime the records were now being maintained by the Parks, Leisure and Culture team. Contributions were often tied to the land itself which can future-proof against any problems with non-payment.

The Head of Resources advised that Section 106 invoices were raised and closely monitored by the finance team.

RESOLVED that:

- a) risk F CRR 46 be removed from the register as this work had now been completed, and there was no longer a risk of non-delivery;
- b) Members work closely in their communities and advise the officers of any projects which may require funding in their local areas;
- c) Members speak to the officers to review those projects currently in the programme with a view to help prioritise them according to the local need;

- d) Risk G CRR 53 be noted that no scoring was yet available. Works were ongoing to assess this risk;
- e) the Planning Policy Officer be invited along to next meeting of the Committee (if available) in relation to risk G CRR 53; and
- f) the Corporate Risk Register be noted.

**32. FLEXIBLE RETIREMENT REQUEST**

The Committee considered a Flexible Retirement Request report by the Human Resources Manager (circulated previously).

RESOLVED that the Flexible Retirement Request be approved.

**33. REQUEST FOR EARLY RELEASE OF PENSION ON COMPASSIONATE GROUNDS**

The Committee considered a Request for Early Release of Pension on Compassionate Ground report by the Human Resources Manager (circulated previously).

RESOLVED that the Request for Early Release of Pension on Compassionate Ground be refused.

Chairman

The meeting ended at 7.36 pm

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