



Public Document Pack

North Devon Council
Brynsworthy Environment Centre
Barnstaple
North Devon EX31 3NP

K. Miles
Chief Executive.

GOVERNANCE COMMITTEE

A meeting of the Governance Committee will be held in the Barum Room - Brynsworthy on **TUESDAY, 5TH NOVEMBER, 2019 at 6.00 pm.**

(NOTE: A location plan for the Brynsworthy Environment Centre is attached to the agenda front pages. There are limited car parking spaces in the Visitors parking area. If no spaces are available, please find an alternative space. Please ensure that you enter your name and car registration details in the book in front of the entrance door)

Members of the Governance Committee Councillor Roome (Chair)

Councillors Phillips, Bushell, Campbell, Henderson, Jenkins, Saxby, Topps and Walker.

AGENDA

1. Apologies for absence
2. To approve as a correct record the minutes of the meeting held on 3rd September 2019 (Pages 5 - 12)
3. Items brought forward which in the opinion of the Chairman should be considered by the meeting as a matter of urgency.
4. Declarations of Interests.
(Please complete the form provided at the meeting or telephone Corporate and Community Services to prepare a form for your signature before the meeting. Interests must be re-declared when the item is called, and Councillors must leave the room if necessary.)
5. To agree the agenda between Part 'A' and Part 'B' (Confidential Restricted Information).

PART A

6. **Internal Audit Progress Report** (Pages 13 - 24)
Report by MAZARS Public Sector Internal Audit Limited (attached).
7. **External Audit Progress Report and Sector Update** (Pages 25 - 38)
Report by Grant Thornton (attached).

8. **Driver and Vehicle Licensing Agency (DVLA) Audit of North Devon Council**
(Pages 39 - 40)
To note the letter from the DVLA (attached)
9. **Provision of Internal Audit Services** (Pages 41 - 50)
Report by the Head of Resources (attached).
10. **21:21 Phase 2 Report**
Chief Executive to report.
11. **Audit Recommendation Tracker** (Pages 51 - 58)
Report by the Chief Executive (attached).
12. **Work Programme** (Pages 59 - 60)
To consider the work programme (attached).

PART B (CONFIDENTIAL RESTRICTED INFORMATION)

Nil.

**If you have any enquiries about this agenda, please contact Corporate and
Community Services, telephone 01271 388253**

28.10.19



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The rules that the Council will apply are:

1. The recording must be overt (clearly visible to anyone at the meeting) and must not disrupt proceedings. The Council will put signs up at any meeting where we know recording is taking place.
2. The Chairman of the meeting has absolute discretion to stop or suspend recording if, in their opinion, continuing to do so would prejudice proceedings at the meeting or if the person recording is in breach of these rules.
3. We will ask for recording to stop if the meeting goes into 'part B' where the public is excluded for confidentiality reasons. In such a case, the person filming should leave the room ensuring all recording equipment is switched off.
4. Any member of the public has the right not to be recorded. We ensure that agendas for, and signage at, Council meetings make it clear that recording can take place – anyone not wishing to be recorded must advise the Chairman at the earliest opportunity.
5. The recording should not be edited in a way that could lead to misinterpretation or misrepresentation of the proceedings or in a way that ridicules or shows a lack of respect for those in the recording. The Council would expect any recording in breach of these rules to be removed from public view.

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For more information contact the Corporate and Community Services team on **01271 388253** or email **memberservices@northdevon.gov.uk** or the Communications Team on **01271 388278**, email **communications@northdevon.gov.uk**.

North Devon Council offices at Brynsworthy, the full address is:
Brynsworthy Environment Centre (BEC), Roundswell,
Barnstaple, Devon, EX31 3NP.

Sat Nav postcode is EX31 3NS.

At the Roundswell roundabout take the exit onto the B3232, after about ½ mile take the first right, BEC is about ½ a mile on the right.

Drive into the site, visitors parking is in front of the main building on the left hand side.

On arrival at the main entrance, please dial 8253 for Corporate and Community Services.



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 31st March (from 1st 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 (18th 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.



North Devon District Council Internal Audit Progress Report

October 2019

Distribution List:

| | | |
|----------------------|---|-------------------|
| Mike Mansell | - | Chief Executive |
| Jon Triggs | - | Head of Resources |
| Governance Committee | | |

This report ("Report") was prepared by Mazars LLP at the request of North Devon District Council and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

This Report was prepared solely for the use of North Devon District Council and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance based on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

Please refer to the Statement of Responsibility in Appendix IV of this Report for further information about responsibilities, limitations and confidentiality.

1. INTRODUCTION

- 1.1 The purpose of internal audit is to provide Members and the Chief Executive, through the Governance Committee, with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving North Devon District Council's agreed objectives. In order to provide this opinion, we are required to review annually the risk management and governance processes within North Devon District Council and on a cyclical basis, the operation of internal control systems within the organisation.
- 1.2 This report sets out the internal audit activity since the last Governance Committee meeting in September 2019 for North Devon District Council.

2. COMPLETION OF THE INTERNAL AUDIT PLAN

- 2.1 Appendix I details the 2018/19 Audit Plan and shows the status of work to date and the number of days delivered.

The following table summarise progress against the plan:

| | | |
|--|----|-----|
| Number of audits in plan | 17 | |
| Number of audits finalised | 11 | 65% |
| Number of audits issued at draft | 1 | 6% |
| Number of audits in progress | 5 | 29% |
| Number of audits with agreed planned dates | 0 | |
| Number of audits to be planned | 0 | |

Appendix II details the 2019/20 Audit Plan and shows the status of work to date and the number of days delivered.

The following table summarise progress against the plan:

| | | |
|--|----|-----|
| Number of audits in plan | 19 | |
| Number of audits finalised | 0 | |
| Number of audits issued at draft | 0 | |
| Number of audits in progress | 3 | 15% |
| Number of audits with agreed planned dates | 4 | |
| Number of audits to be planned | 12 | |

- 2.2 We can report that based on the number of days in the plan (excluding contingency) as at 30th September 2019, 100% of the 2018/19 Operational Internal Audit Plan has been completed and 15% of the 2019/20 Operational Internal Audit Plan has been completed.
- 2.3 We have issued the following final reports since the last Committee meeting.

Efficiency Savings 18/19
Follow Up 18/19
Risk Management and Corporate Governance 18/19
VAT 18/19

- 2.4 Appendix III details the 2018/19 Audit recommendations for individual reports with a full or substantial overall opinion finalised since the last Governance Committee meeting. Recommendations with a priority rating of 2 are detailed in full, whilst those with a rating of 3 are not shown in detail. In addition, an overall audit opinion is given for each report.

Management responses are only included where there is a substantial comment. Where management has accepted the recommendation this has not been included.

Significant Control Weaknesses 2018/19

- 2.5 Based on the work we have undertaken, there are no priority one recommendations to bring to the attention of the Governance Committee.

Performance of the Internal Audit Service

- 2.6 The following tables details the Internal Audit service performance for the 2018/19 and 2019/20 years measured against the key performance indicators set out in the Internal Audit Quality Plan.

| No. | Performance indicator | Target | Actual 18/19 |
|-----|--|---------|--------------|
| 1. | A close out meeting to be held for each audit | 100% | 100% |
| 2. | Average period between the close out meeting and issue of the draft report | 10 days | 4.4 days |
| 3. | Average period between the receipt of final management responses and issue of the final report | 10 days | 1 day |
| 4. | Average customer satisfaction score (measured by survey for each audit) – (Target is 80% or 4 or above) 5=Very good; 4=Good; 3=Satisfactory; 2=Poor; 1= Very poor | 4 | 3.83 |

| No. | Performance indicator | Target | Actual 19/20 |
|-----|--|---------|--------------|
| 1. | A close out meeting to be held for each audit | 100% | 100% |
| 2. | Average period between the close out meeting and issue of the draft report | 10 days | n/a* |
| 3. | Average period between the receipt of final management responses and issue of the final report | 10 days | n/a* |
| 4. | Average customer satisfaction score (measured by survey for each audit) – (Target is 80% or 4 or above) 5=Very good; 4=Good; 3=Satisfactory; 2=Poor; 1= Very poor | 4 | n/a* |

* - No reports issued for 2019/20 yet.

3. Action Required

- 3.1 The Governance Committee is asked to note our progress report.

Appendix I – Progress against the Internal Audit Plan 2018/19

| | Audit Title | Proposed Quarter | Planned Days | Anticipated Risk Level | Assurance | Priority One | Priority Two | Priority Three | Status |
|-----|--|------------------|--------------|------------------------|--------------------------------------|----------------------|----------------------|----------------------|---|
| 1. | Risk Management and Corporate Governance | Q4 | 10 | Medium | Substantial | 0 | 1 | 2 | Final Report 21 st August 2019 |
| 2. | Main Accounting System and Budgetary Control | Q3 | 12 | High | Substantial | 0 | 0 | 1 | Final Report 5 th March 2019 |
| 3. | Creditors | Q3 | 10 | Medium | Substantial | 0 | 1 | 2 | Final Report 16 th August 2018 |
| 4. | Payroll | Q1 | 10 | Medium | Substantial | 0 | 0 | 1 | Final Report 16 th August 2018 |
| 5. | Cash Collection | Q2 | 8 | Medium | Substantial | 0 | 0 | 1 | Final Report 13 th December 2018 |
| 6. | Council Tax and NNDR (including NNDR maximisation) | Q3 | 15 | Medium | Substantial | 0 | 0 | 1 | Final Report 8 th January 2019 |
| 7. | Housing Benefits | Q1 | 10 | Medium | Substantial | 0 | 0 | 1 | Final Report 12 th December 2018 |
| 8. | Efficiency savings | Q2 | 10 | Medium | Full | 0 | 0 | 0 | Final Report 23 rd August 2019 |
| 9. | Waste Management (Refuse and Recycling) | Q3 | 10 | Medium | | | | | Draft Report issued 3 rd October 2019 |
| 10. | Regeneration Projects | Q1 | 10 | Medium | | | | | Fieldwork completed, draft report in progress |
| 11. | Business Continuity | Q2 | 10 | High | | | | | Fieldwork completed, draft report in progress |
| 12. | Civil Contingencies Plan | Q1 | 10 | High | | | | | Fieldwork completed, draft report in progress |
| 13. | IT Audits: - GDPR - Email Exchange | Q4 | 11 11 | High | Substantial Limited | 0 0 | 1 3 | 5 1 | Final Report 19 th February 2019 Final Report 24 th January 2019 |
| 14. | Fraud, Bribery & Ethics National Fraud Initiative | Q2 | 8 | Low | | | | | Fieldwork completed, draft report in progress |

| | Audit Title | Proposed Quarter | Planned Days | Anticipated Risk Level | Assurance | Priority One | Priority Two | Priority Three | Status |
|-----|------------------|------------------|--------------|------------------------|--------------------|--------------|--------------|----------------|---|
| 15. | VAT | Q1 | 10 | Low | Substantial | 0 | 0 | 1 | Final Report 9 th October 2019 |
| 16. | Crematorium | Q4 | 3 | Low | | | | | Fieldwork completed, draft report in progress |
| 17. | Follow Up | Q4 | 10 | N/A | | 0 | 0 | 0 | Final Report 22 nd August 2019 |
| 18. | Contingency | | 20 | N/A | | | | | |
| 19. | Audit Management | | 22 | N/A | | | | | |
| | Total | | 220 | | | 0 | 6 | 16 | |

Appendix II – Progress against the Internal Audit Plan 2019/20

| | Audit Title | Proposed Quarter | Planned Days | Anticipated Risk Level | Assurance | Priority One | Priority Two | Priority Three | Status |
|-----|--|------------------|--------------|------------------------|-----------|--------------|--------------|----------------|---|
| 1. | Risk Management and Corporate Governance | Q4 | 10 | Medium | | | | | |
| 2. | Main Accounting System and Budgetary Control | Q3 | 12 | High | | | | | Audit programmed in for w/c 9 th December 2019 |
| 3. | Debtors | Q1 | 8 | Medium | | | | | Fieldwork completed, Draft Report in progress |
| 4. | Payroll | Q1 | 10 | Medium | | | | | Fieldwork in progress |
| 5. | Treasury Management | Q1 | 8 | Medium | | | | | Fieldwork in progress |
| 6. | Council Tax and NNDR (including NNDR maximisation) | Q2 | 15 | Medium | | | | | Fieldwork to commence 29 th October 2019 |
| 7. | Housing Benefits | Q2 | 10 | Medium | | | | | |
| 8. | Human Resources | Q3 | 10 | Medium | | | | | |
| 9. | Housing Needs | Q3 | 10 | Medium | | | | | |
| 10. | New Housing Schemes | Q2 | 10 | Medium | | | | | |
| 11. | Building Control | Q3 | 10 | Medium | | | | | |
| 12. | IT Audit | Q4 | 22 | High | | | | | |
| 13. | CCTV | Q4 | 8 | Medium | | | | | |
| 14. | Contracts and Capital Expenditure | Q3 | 10 | High | | | | | |
| 15. | Performance Management | Q4 | 10 | Medium | | | | | |
| 16. | Safeguarding | Q3 | 8 | Low | | | | | |

| | Audit Title | Proposed Quarter | Planned Days | Anticipated Risk Level | Assurance | Priority One | Priority Two | Priority Three | Status |
|-----|------------------|------------------|--------------|------------------------|-----------|--------------|--------------|----------------|---|
| 17. | Crematorium | Q4 | 3 | Low | | | | | Audit programed in for w/c 17 th February 2020 |
| 18. | Follow Up | Q4 | 10 | N/A | | | | | Audit programmed for w/c 23 rd December 2019 |
| 19. | Contingency | | 0 | N/A | | | | | |
| 20. | Audit Management | | 22 | N/A | | | | | |
| | Total | | 196 | | | 0 | 0 | 0 | |

Appendix III – Internal Audit Recommendations 2018/19

Efficiency Savings

Full Assurance



Scope

The audit covered the following areas:

- Adequacy of the Authority's approach to capturing efficiency data to meet and exceed the savings target;
- Controls over the accuracy of efficiency data including evidence and challenge processes
- Reporting of efficiency savings to the Council's Strategy and Resources Committee and any external stakeholders;
- Directorate efficiency targets reported in service plans and progress against target including monitoring controls and accuracy checks; and
- Risk assessments are completed to ensure that any operational changes as a result of efficiency savings are considered.

No recommendations were raised

Risk Management and Corporate Governance

**Substantial
Assurance**



Scope

The audit covered the following areas:

- Strategy
- Risk identification and assessment;
- Control / mitigation strategies;
- Roles and responsibilities;
- Decision making;
- Monitoring and reporting;
- Department Risk Management; and Compliance with best practice.

One priority 2 and 2 priority 3 recommendations were raised

Priority 2

| Recommendation | Rationale | Management Response |
|--|--|---|
| <p>Heads of Service should ensure all risk registers have identified, assessed and scored all risks, with risk owners identified. Any mitigating controls, present or planned, should also be noted in each risk register.</p> | <p>In order to ensure risks are effectively managed, Heads of Service should ensure all risk registers have identified, assessed and scored all risks, with risk owners identified. Any mitigating controls, present or planned, should also be noted for each risk.</p> <p>Review of a sample of ten service risk registers identified three instances where complete information was not present:</p> <ul style="list-style-type: none"> • ICT-RR04 No internal controls or mitigating actions present; • HR -SRRHR4 No internal controls listed; • EH&H H SRR01 No internal controls listed; and • Corporate and Community Services C&C R02 No internal controls or mitigating actions present, despite notes on file regarding training and procedure notes being implemented. <p>In addition we noted the Covalent system documents mitigating actions to provide assurance that internal controls are operating effectively. We noted that in the majority of cases tested for both corporate and service risks mitigating actions had become obsolete, and were in need of review and update.</p> <p>Where risks are not effectively managed, there is a risk that the Council may not be able to achieve its objectives. This may lead to reputational damage and possible financial loss.</p> | <p>A system of reviewing risk registers at the same time as service plans are prepared will be introduced. SMT will then approve the risk registers and service plans at the same time. Revised guidance will be issued to all middle managers in the autumn when work on service plans commences</p> |

Priority 3

All risk registers should be reviewed regularly in accordance with the Risk Management Framework.

The Council should update and complete the policies and strategies listed as required by current law within its Constitution Article 4.3 Policy Framework.

**Scope**

The audit covered the following areas:

- Policies and procedures, including pre application guidance;
- Map VAT return process including sign-off and controls
 - 'walk through' most recent VAT return
 - review sample of 20 purchase invoices
 - review sample of 10 expense claims
 - understand process for raising invoices and determining VAT liability of income – sample 20 sales invoices
- Confirm partial exemption calculation is being carried out – any breaches of 5% limit?
- Review list of properties on which NDDC has opted to tax and understand decision-making process around option to tax.

One priority 3 recommendation was raised

Priority 3 The Council should consider making use of specialist information and/or services provided to ensure they are Making Tax Digital compliant.

Appendix IV - Statement of Responsibility

We take responsibility to North Devon District Council for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

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Audit Progress Report and Sector Update

North Devon District Council
Year ending 31 March 2020
Page 25
5 November 2019



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Introduction



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This paper provides the Governance Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a summary of emerging national issues and developments that may be relevant to you as a local authority.

Members of the Governance Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications. Click on the Grant Thornton logo to be directed to the website www.grant-thornton.co.uk.

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.



PSAA Contract Monitoring

North Devon District Council opted into the Public Sector Audit Appointments (PSAA) Appointing Person scheme which starts with the 2018/19 audit. PSAA appointed Grant Thornton as auditors. PSAA is responsible under the Local Audit (Appointing Person) Regulations 2015 for monitoring compliance with the contract and is committed to ensuring good quality audit services are provided by its suppliers. Details of PSAA's audit quality monitoring arrangements are available from its website, www.psaa.co.uk.

Our contract with PSAA contains a method statement which sets out the firm's commitment to deliver quality audit services, our audit approach and what clients can expect from us.

Progress at 16 October 2019

Financial Statements Audit

We issued our opinion on your 2018/19 Statement of Accounts and certified closure of the audit on 31 July 2019.

We will begin our planning for the 2019/20 audit in December / January and will issue a detailed audit plan, setting out our proposed approach to the audit of the Council's 2019/20 financial statements.

We will begin our interim audit in the New Year. Our interim fieldwork includes:

- Updated review of the Council's control environment
- Updated understanding of financial systems
- Review of Internal Audit reports on core financial systems
- Early work on emerging accounting issues
- Early substantive testing

We will report the findings from our interim audit in our progress report.

Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The guidance confirmed the overall criterion as: "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

The three sub criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

Details of our initial risk assessment to determine our approach will be included in our Audit Plan.

Other areas

Certification of claims and returns

We certify the Council's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the Department for Work and Pensions. The certification work for the 2018/19 is in progress and will be completed by the 30 November deadline. We will report our findings to the Governance Committee in January 2020.

Certification work is not part of the PSAA contract and this work is subject to a separate engagement letter.

Meetings

We meet with the Head of Paid Service and Head of Resources as part of our regular liaison meetings, and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective.

Events

We provide a range of workshops, along with network events for members and publications to support the Council. We are currently planning our local government accounts workshops for the New Year, invitations will be sent to key members of your finance team when these have been finalised..

Further details of the publications that may be of interest to the Council are set out in our Sector Update section of this report.

Audit Deliverables

| 2018/19 Deliverables | Planned Date | Status |
|--|---------------|-------------|
| Annual Certification Letter This letter reports any matters arising from our certification work. | December 2019 | Not yet due |
| 2019/20 Deliverables | Planned Date | Status |
| Fee Letter Confirming audit fee for 2018/19. | April 2019 | Complete |
| Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Governance Committee setting out our proposed approach in order to give an opinion on the Council's 2019-20 financial statements. | January 2020 | Not yet due |
| Interim Audit Findings We will report to you the findings from our interim audit within our Progress Report. | March 2020 | Not yet due |
| Audit Findings Report The Audit Findings Report will be reported to the Governance Committee. | July 2020 | Not yet due |
| Auditors Report This is the opinion on your financial statement, annual governance statement and value for money conclusion. | July 2020 | Not yet due |
| Annual Audit Letter This letter communicates the key issues arising from our work. | August 2020 | Not yet due |

Sector Update

Councils are tackling a continuing drive to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider NHS and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- **Grant Thornton Publications**
- **Insights from local government sector specialists**
- **Reports of interest**
- **Accounting and regulatory updates**

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website by clicking on the logos below:

Public Sector

Local
government

CIPFA – CFO confidence survey

In July, the Chartered Institute of Public Finance and Accountancy (CIPFA) reported the results of their annual confidence survey.

The survey found that the majority of local government finance officers have lost confidence in their future financial positions over the last year.

Seventy per cent of respondents said they were either slightly less or much less confident in their financial position this year compared to 2018-19.

The survey also found that 68% said they were either slightly less or much less confident in their ability to deliver services in 2020-21. Sixty-two per cent expressed equal confidence in their financial position for 2019-20 as they had last year.

CIPFA found that the area of greatest pressure for top tier authorities was children's social care, with the number of authorities rating it as the biggest pressure rising by six percentage points.

For districts the greatest pressures were housing, cultural services and environmental services.

Rob Whiteman, CIPFA chief executive, said: "Local government is facing greater demand pressures than ever before, with particularly pressures in adults' and children's social care and housing. Local authorities also lack certainty about their future financial positions, so it's unsurprising to see confidence on the decline.

"We have repeatedly pointed out that local government is in need of a sustainable funding solution, but meeting this demand requires more than pennies and pounds. The sector as a whole must come together to address the challenges of effective service delivery."

CIPFA's survey received a total of 119 responses from authorities in the UK - 56 top tier authorities, 47 English districts, 12 Scottish authorities, and 4 Welsh authorities.

On the same theme, a Local Government Association (LGA) survey, also reported in July, found that almost two-thirds of councils believe cash for services like adult social care, child protection and preventing homelessness will dry up by 2024-25.

The survey got responses from 141 of the 339 LGA member councils in England and Wales.

It also found that 17% of councils were not confident of realising all of the savings they had identified this year (2019-20).

The LGA said that councils needed a guarantee they will have enough money to meet growing demand pressures in particular in adult social care, children's services, special educational needs, homelessness support and public health.



MHCLG – Independent probe into local government audit

In July, the then Communities secretary, James Brokenshire, announced the government is to examine local authority financial reporting and auditing.

At the CIPFA conference he told delegates the independent review will be headed up by Sir Tony Redmond, a former CIPFA president.

The government was “working towards improving its approach to local government oversight and support”, Brokenshire promised.

“A robust local audit system is absolutely pivotal to work on oversight, not just because it reinforces confidence in financial reporting but because it reinforces service delivery and, ultimately, our faith in local democracy,” he said.

“There are potentially far-reaching consequences when audits aren’t carried out properly and fail to detect significant problems.”

The review will look at the quality of local authority audits and whether they are highlighting when an organisation is in financial trouble early enough.

It will also look at whether the public has lost faith in auditors and whether the current audit arrangements for councils are still “fit for purpose”.

On the appointment of Redmond, CIPFA chief executive Rob Whiteman said: “Tony Redmond is uniquely placed to lead this vital review, which will be critical for determining future regulatory requirements.

“Local audit is crucial in providing assurance and accountability to the public, while helping to prevent financial and governance failure.”

He added: “This work will allow us to identify what is needed to make local audit as robust as possible, and how the audit function can meet the assurance needs, both now and in the future, of the sector as a whole.”

In the question and answer session following his speech, Brokenshire said he was not looking to bring back the Audit Commission, which appointed auditors to local bodies and was abolished in 2015. MHCLG note that auditing of local authorities was then taken over by the private, voluntary and not-for-profit sectors.

He explained he was “open minded”, but believed the Audit Commission was “of its time”.

Local authorities in England are responsible for 22% of total UK public sector expenditure so their accounts “must be of the highest level of transparency and quality”, the Ministry of Housing, Local Government and Communities said. The review will also look at how local authorities publish their annual accounts and if the financial reporting system is robust enough.

Redmond, who has also been a local authority treasurer and chief executive, is expected to report to the communities secretary with his initial recommendations in December 2019, with a final report published in March 2020. Redmond has also worked as a local government boundary commissioner and held the post of local government ombudsman.



National Audit Office – Code of Audit Practice

The Code of Audit Practice sets out what local auditors of relevant local public bodies are required to do to fulfill their statutory responsibilities under the Local Audit and Accountability Act 2014. 'Relevant authorities' are set out in Schedule 2 of the Act and include local councils, fire authorities, police and NHS bodies.

Local auditors must comply with the Code of Audit Practice.

Page 33 Consultation – New Code of Audit Practice from 2020

Schedule 6 of the Act requires that the Code be reviewed, and revisions considered at least every five years. The current Code came into force on 1 April 2015, and the maximum five-year lifespan of the Code means it now needs to be reviewed and a new Code laid in Parliament in time for it to come in to force no later than 1 April 2020.

In order to determine what changes might be appropriate, the NAO is consulting on potential changes to the Code in two stages:

Stage 1 involves engagement with key stakeholders and public consultation on the issues that are considered to be relevant to the development of the Code.

This stage of the consultation is now closed. The NAO received a total of 41 responses to the consultation which included positive feedback on the two-stage approach to developing the Code that has been adopted. The NAO state that they have considered carefully the views of respondents in respect of the points drawn out from the [Issues paper](#) and this will inform the development of the draft Code. A summary of the responses received to the questions set out in the [Issues paper](#) can be found below.

[Local audit in England Code of Audit Practice – Consultation Response \(pdf – 256KB\)](#)

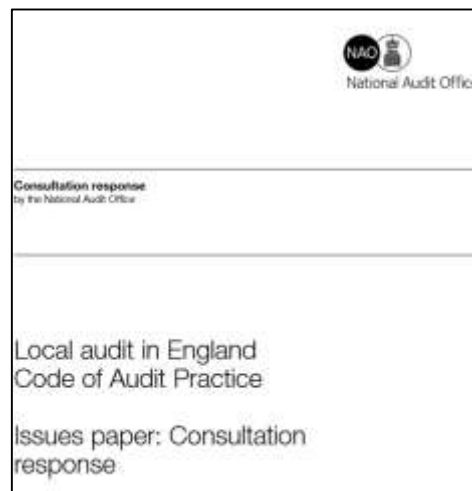
Stage 2 of the consultation involves consulting on the draft text of the new Code. To support stage 2, the NAO has published a consultation document, which highlights the key changes to each chapter of the draft Code. The most significant changes are in relation to the Value for Money arrangements. Rather than require auditors to focus on delivering an overall, binary, conclusion about whether or not proper arrangements were in place during the previous financial year, the draft Code requires auditors to issue a commentary on each of the criteria. This will allow auditors to tailor their commentaries to local circumstances. The Code proposes three specific criteria:

- Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the body ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.

The consultation document and a copy of the draft Code can be found on the NAO website. The consultation is open until 22 November 2019. The new Code will apply from audits of local bodies' 2020-21 financial statements onwards.

Link to NAO webpage for the Code consultation:

<https://www.nao.org.uk/code-audit-practice/code-of-audit-practice-consultation/>



Local Government Association – Profit with a purpose – delivering social value through commercial activity

The Local Government Association (LGA) report 'Profit with a purpose' focuses on some of the practicalities of how councils can deliver social value through their commercial activity.

Through 'key questions' to ask, the guidance supports councils to face the challenge of how to undertake commercial activity and achieve greater value for the public purse in ways that better meet society's needs and outcomes for people and communities.

In addition, the publication features a number of short case studies highlighting some of the innovative commercial practice already achieving results for communities.

The LGA comments that the best approaches ensure the generation of social value is the primary factor driving commercial activity; from the initial decision to develop a commercial vision to how the approach is developed, and implemented, councils which are pulling ahead ensure social value is placed centre stage.

The guidance starts with an overview of what the LGA understands by 'profit with a purpose', the guidance explores different types of social value and the role of councils in driving social value alongside their commercial ambition.

The guidance then looks at how consideration and delivery of social value should be practically considered when deciding on whether to embark on commercial activity, the need for social value to be prioritised alongside financial return and the key questions councils should consider when embarking on a commercial initiative.

Following on from this, there are specific chapters on; embedding social value in governance of alternative service delivery vehicles, the role of procurement in contracting services that deliver social value and finally how to contract and performance manage social value through your service providers.

Each chapter outlines the factors that need to be considered and the 'key questions' councils should be asking themselves.

In addition, a number of short case studies are provided to highlight some of the innovative commercial practice already achieving results for communities.

The report can be downloaded from the LGA website:

<https://www.local.gov.uk/profit-purpose-delivering-social-value-through-commercial-activity>



Profit with a purpose

Delivering social value through commercial activity

MHCLG – Brexit preparations

Councils should be fully prepared to leave the European Union by the end of October, the Communities and Local Government Secretary announced on 3 August as he ramped up preparations.

Mr Jenrick thanked councils for all the work they have already done, but said they must step up vital preparations and committed £20 million for councils across England to prepare for delivering Brexit on 31 October, whatever the circumstances.

He has asked each council to designate a Brexit lead to work with central government and oversee teams in every community who will work with stakeholders in their area to plan intensively for Brexit.

The new funding comes in recognition of the central role councils will play to make sure their residents are ready for Brexit, and is expected to support a range of activity including communications, training and the recruitment of staff.

The Secretary of State said:

“From Whitehall to town halls – everyone needs to be ready to fulfil our democratic mandate to leave the European Union by the end of October.

Local government has a vital role in helping to make Brexit a success and it is absolutely right that together we intensify preparations in every community.

And to do this successfully I have asked every council to appoint a Brexit lead to work with government. We’ll be providing £20 million for councils to support the major step up in preparations.

I want all of us – central and local government – to be fully prepared for leaving the EU on 31 October whatever the circumstances. I know that we can achieve this, by continuing to work side by side with renewed national focus and intensity.”



Public Accounts Committee – Local Government Governance and Accountability

The Public Accounts Committee has found that the Government has not done enough to ensure that, at a time when local authority budgets are under extreme pressure, governance systems are improved.

The Ministry of Housing, Communities & Local Government (the Department) is responsible for: ensuring that this framework contains the right checks and balances, and changing the system if necessary. The Secretary of State also has powers to intervene in cases of perceived governance failure. The framework includes: officers with statutory powers and responsibilities; internal checks and balances such as audit committees and internal audit; and external checks and balances such as external audit and sector-led improvement overseen by the Local Government Association. These arrangements represent a significant reduction in the level of central oversight in recent years following the government's decision to abolish the Audit Commission and the Standards Board for England as part of a broader reform of local audit, inspection and reporting.

The Public Accounts Committee report summary notes "Local authorities have a good overall track record with governance arrangements generally robust across the sector, and there is evidence that local authority governance compares favourably to that of the health sector. However, this is not universal and in some authorities governance is under strain, as funding reduces and responsibilities and exposure to commercial pressures change. We are worried to hear about audit committees that do not provide sufficient assurance, ineffective internal audit, weak arrangements for the management of risk in local authorities' commercial investments, and inadequate oversight and scrutiny. This is not acceptable in the more risky, complex and fast-moving environment in which local authorities now operate.

The Department has been reactive and ill-informed in its approach to oversight of the local governance system. However, the Department has now recognised that the network of bodies with responsibility for the local governance framework is fragmented and lacking the leadership needed to drive change. Encouragingly, the Department has now committed to enhancing its oversight role and producing a proactive work programme to deliver this change. We urge the Department to ensure that this activity leads to concrete actions and outcomes on a timely basis. When a local authority fails this has a significant impact on local people and the Department has a responsibility to work with local government to ensure that problems are caught early and that it can pinpoint at-risk councils. Since the abolition of the Audit Commission and other changes culminating in the Local Audit and Accountability Act 2014 there is no central assessment of value for the money, which means the Department's work is fundamental."

The report makes five conclusions, with associated recommendations:

- 1) The Department is not yet providing effective leadership of the local governance system.
- 2) The Department does not know why some local authorities are raising concerns that external audit is not meeting their needs.
- 3) The Department lacks reliable information on key governance risks, or relies on weak sources of information, meaning it has no way of pinpointing the at-risk councils.
- 4) The Department's monitoring is not focused on long-term risks to council finances and therefore to services.
- 5) There is a complete lack of transparency over both the Department's informal interventions in local authorities with financial or governance problems and the results of its formal interventions.

The Government response is available on the website below:

<https://www.parliament.uk/documents/commons-committees/public-accounts/Gov-response-to-Public-Accounts-on-the-93-98-reports.pdf>



Links

Grant Thornton

<https://www.grantthornton.co.uk/>

<http://www.grantthornton.co.uk/industries/publicsector>

CIPFA

<https://www.cipfa.org/about-cipfa/press-office/latest-press-releases/local-government-chief-finance-officers-losing-confidence-in-ability-to-deliver-services>

Local Government Association

<https://www.local.gov.uk/about/news/one-three-councils-fear-funding-legal-duties-will-run-out-within-three-years>

<https://www.local.gov.uk/profit-purpose-delivering-social-value-through-commercial-activity>

MHCLG

<https://www.gov.uk/government/speeches/the-communities-secretarys-speech-at-the-cipfa-conference-2019>

<https://www.gov.uk/government/news/government-readies-whole-nation-for-brexit-with-every-council-to-have-a-designated-brexit-lead>

National Audit Office

<https://www.nao.org.uk/code-audit-practice/code-of-audit-practice-consultation/>

Public Accounts Committee

<https://www.parliament.uk/documents/commons-committees/public-accounts/Gov-response-to-Public-Accounts-on-the-93-98-reports.pdf>



Your reference: WEE
Phone: 01792 761366
Email: Kadoeservice.support@dvla.gov.uk
Website: www.gov.uk/dvla

North Devon Council
Brynsworthy Environment Centre
Roundswell
BARNSTAPLE
EX31 3NP

Our Ref: 54965751 Howells5 DSSC

Driver and Vehicle Licensing Agency
Swansea
SA99 1ZZ

Date: 26 September 2019

Dear Mr Fowler

DVLA Audit of North Devon District Council X124

We are contacting you about the recent audit carried out by Government Internal Audit Agency.

The purpose of this audit was to confirm the reason for each vehicle keeper request made, identify what evidence was available to support these requests and to see how the vehicle keeper data had been used.

Your requests are made directly to DVLA by the WEE system.

I can confirm that the overall audit rating was green, where a high level of compliance was demonstrated.

If you have any questions in regards to the above please don't hesitate to contact me.

Yours sincerely

Sarah Howells
Strategy, Policy and Communications Directorate

Keep up to date with all the latest news from DVLA at:
www.gov.uk/dvla

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NORTH DEVON COUNCIL

Open

REPORT TO: GOVERNANCE COMMITTEE

Date: 5 November 2019

TOPIC: PROVISION OF INTERNAL AUDIT SERVICES

REPORT BY: HEAD OF RESOURCES

1 INTRODUCTION

- 1.1 There are two principal pieces of legislation that impact upon internal audit in local authorities.
- 1.2 Section 5 of the Accounts and Audit Regulations (England) Regulations 2015 states that "a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance."
- 1.3 Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of its financial affairs.
- 1.4 This report updates members on the current arrangements for the provision of internal audit services and makes recommendations for the future provision from April 2020 onwards.

2 RECOMMENDATIONS

- 2.1 That members approve that North Devon Council join the Devon Audit Partnership (DAP) as a partner from 1st April 2020 onwards, for the provision of internal audit services.
- 2.2 That the Head of Resources work with the Head of Devon Audit Partnership (DAP) and respective Legal, Human Resources and Finance teams to prepare and sign contracts to enable the above partnership to take place.

3 REASONS FOR RECOMMENDATIONS

- 3.1 To enable a continued, effective internal audit provision for North Devon Council.

- 3.2 For those responsible with governance to ensure the authority has an internal audit service which evaluates the effectiveness of risk management, control and governance processes.

4 REPORT

- 4.1 The internal audit provision for North Devon Council is currently delivered by Mazars, a mainly London based firm as part of a “3 year plus 2” contract. The first three years of the contract ended on 31 March 2019, and it was agreed to extend for a further one year for the 2019/20 financial year.
- 4.2 Service delivery is mainly via an individual auditor who is located in Devon; this officer works 3 days per week and completes the majority of the Internal Audit plan, with support from other Mazars colleagues. The individual has indicated to Mazars (and NDC) that she will retire at the end of March 2020; Mazars have relayed to the Head of Resources that, due to the geographical challenges of servicing the contract in North Devon, they would prefer not to extend the current contract into the 2020/21 financial year (year 5).
- 4.3 As a result North Devon Council need to seek alternative delivery arrangements for Internal Audit for the 2020/21 financial year and beyond.
- 4.4 We are aware that the internal audit provision for close neighbours (e.g. Torridge and Mid Devon Councils) is provided by Devon Audit Partnership. The Partnership is governed by a management board and partnership committee made up of the Partners; it is structured as what is known as a “Teckal compliant” organisation, hosted by the County Council.
- 4.5 Being “Teckal compliant” means that the Partners can discharge their statutory need for internal audit via the Devon Audit Partnership without the need for entering into procurement and tendering arrangements; in effect the Partners have control over the partnership, much in the way that they control their other in-house teams (e.g. finance, HR etc)
- 4.6 The Partnership has grown steadily over the years, built on a reputation for providing high quality services whilst maintaining value for money.
- 4.7 The Head of Resources has had initial conversations with the Head of Devon Audit Partnership (DAP) about the possibility of North Devon Council joining as a partner. This will be based upon a service need of 200 days per year, with NDC retaining a small contingency budget to enable further “call off” of services as and when needed.
- 4.8 The Head of Devon Audit Partnership (DAP) has explained that each year (around late November / early December) DAP would require initial indications for NDC of the internal audit requirements for the coming year; it is recognised that this can go up or down, depending upon activity, risk and how the internal audit function can support the Council. To aid management in planning and resourcing delivery it is expected that annual fluctuations will be limited to around 10% of the total plan.

- 4.9 As mentioned above, the employee currently working with Mazars has indicated that she will be looking to retire in March 2020. If this is the case then Devon Audit Partnership (DAP) will use its current staff to deliver the contract for North Devon Council. The staff are located around the county and are very experienced in meeting Partners needs for example at Torridge and Mid Devon.
- 4.10 However, if this were not the case and the individual does not retire, then the individual would be expected to meet TUPE regulations and would transfer to Devon Audit Partnership (DAP). They have recent experience of such transfers following Mid Devon joining and the Head of Devon Audit Partnership (DAP) has stated that this would not be a barrier to North Devon Council joining.
- 4.11 The Head of Devon Audit Partnership (DAP) has also indicated that they do look to work flexibly with all employees, and so a range of options would be available for the employee; these range from continuing in their role via TUPE transfer to working with the partnership on a temporary or longer term arrangement to suit their individual needs. Such conversations would need to take place between the individual and Devon Audit Partnership (DAP).
- 4.12 Devon Audit Partnership (DAP) have indicated that their reporting (assignment and summary) styles are similar to what North Devon Council currently receive and will work with the Head of Resources to ensure reports meet the Council requirements.
- 4.13 If the recommendations are approved then in late November / early December 2019 the Head of Resources and Head of Devon Audit Partnership (DAP) will meet to set out the expected internal audit input for the forthcoming year.
- 4.14 Appendix A to this report sets out some background information on the Devon Audit Partnership (DAP), the governance arrangements in place and who the partnership provide services to currently.

5 RESOURCE IMPLICATIONS

- 5.1 The current contract with Mazars is for 220 days per year at a cost of £69,300, resulting in a daily rate of £315. The contract includes 20 days of contingency, resulting in a “delivery plan” of 200 days @ £315 = £63,000
- 5.2 Devon Audit Partnership (DAP) currently charge a day rate of £292 to its partners; this day rate is strongly influenced by pay and price inflation and so a pay award for staff from April 2020 will have an impact on this rate. Based on 2019/20 prices, a contract to deliver 200 days of internal audit at a rate of £292 totalling £58,400 would be expected.
- 5.3 This would result in a saving in internal audit costs of £4,600 and NDC would retain a “contingency budget” (to be determined) that we would control.

6 EQUALITIES ASSESSMENT

6.1 There are no equalities implications anticipated as a result of this report.

7 CONSTITUTIONAL CONTEXT

| Article and paragraph | Referred or delegated power? |
|---|--|
| Part 4 Financial Procedure Rules Section 3.0 Audit | Delegated to the Chief Financial Officer |

8 STATEMENT OF CONFIDENTIALITY

8.1 This report contains no confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

9 BACKGROUND PAPERS

9.1 The background papers are available for inspection and kept by the author of the report.

10 STATEMENT OF INTERNAL ADVICE

10.1 The author (below) confirms that advice has been taken from all appropriate Councillors and Officers.

| | | | |
|---------|-------------------------------|-------|-----------------|
| Author: | Jon Triggs, Head of Resources | Date: | 03 October 2019 |
|---------|-------------------------------|-------|-----------------|



APPENDIX A

devon**audit**partnership

Devon Audit Partnership (DAP)

This is a shared service arrangement that was set up by Devon, Torbay and Plymouth constituted under section 20 of the Local Government Act 2000; DAP was founded in April 2009.

Torrige District Council joined as a "non-voting" member, and as a "full" member from April 2017.

Mid Devon District Council join as a "non-voting" member during 2017/18 and became a "full" member from April 2018.

Devon County Council acts as "host" to the Partnership, and provides services such as payroll, insurance, HR and legal services

Governance Arrangements

Partnership Committee – consisting 2 x members from each partner council (i.e. Plymouth, Torbay, Devon, Torridge and Mid Devon councils). Terms of reference are:-

- Receive and consider reports from the Management Board, the Head of Internal Audit Partnership, External Audit and the Host Council
- Approving the annual accounts of the Partnership
- Approving the budget in respect of the Audit Partnership functions
- Approving the future appointment and dismissal or removal of the Head of Internal Audit Partnership.
- Approving changes to the Partnership Client base, trading agreements, charging policies and other necessary matters pertaining to the future operations of the Partnership
- Resolving any disputes that are still unresolved after reference to the Management Board

To be quorate, at least one member from each authority must be present.

Partnership Board – S151 officer from partners (i.e. Plymouth, Torbay, Torridge, Devon and Mid Devon plus the Head of Partnership).

- Recommending the budget subject to the Partnership approval
- Approving all changes to budgets subject to the approval of the Partnership where appropriate
- Receiving and approving performance reports from the Head of Internal Audit Partnership
- The carrying out of any Performance Reviews
- Setting and reviewing the performance of the Partnership
- Resolving Disputes
- Accommodation responsibility



APPENDIX A

devon**audit**partnership

Head of DAP = Robert Hutchins – delivers the objectives and targets set by the Board and Committee and manages the operation of the Partnership.

What do we do?

Our service offer has grown over the years and we now provide Internal Audit, Risk Management and Counter Fraud services.

Internal Audit Team – 28 or so staff based in various locations including Plymouth, Torbay, Exeter and Tiverton.

Counter Fraud - In May 2018 the Counter Fraud Team from Plymouth City Council transferred to DAP. The team of 7 professionally qualified staff currently provide services predominantly to PCC, but the intention is to offer these services to all our partners and clients. Fraud in all its forms is now the most common criminal offence in the UK costing the UK economy £193 Billion a year. This equates to £3000 per head of population in the UK. It is estimated to cost Local Authorities £2.2 Billion annually, losses that council front line services can ill afford and which can contribute to council tax increasing year on year.

Risk Management - In September 2017 DAP were asked to help support the Risk Management process at Devon. We have taken on a dedicated member of staff for this, with the intention of offering our services to other partners and clients. Our Counter Fraud Team were awarded 'Team of the year' at the 2018 National Alarm Risk Awards for their work with Plymouth City Council.

Who do we provide services to?

Partners – Plymouth, Devon, Torbay, Torridge and Mid Devon.

Other Clients – many – include Police, Fire, Academy schools, maintained schools, Dartmoor and Exmoor National Parks, support South Hams, West Devon and Teignbridge councils, various EU projects for organisations such as University of Plymouth, Cornwall Council

Professional Standards

We work to professional guidelines which govern the scope, standards and conduct of Internal Audit and Risk Management; for example as set down in the Public Sector Internal Audit Standards (the PSIAS). We have been externally assessed as “conforming” to these standards. The Counter Fraud Team adhere to all professional and legally required standards such as the Criminal Procedure & Investigations Act 1996 (CPIA) and the Police and Criminal Evidence Act 1984 (PACE) and all team members are professionally accredited counter fraud specialists or technicians.

Improvement Programme – DAP maintains a rolling development plan of improvements to the service and customers. Our development plan is regularly updated and a status report was reported to the Management Board in October 2018.



APPENDIX A

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Performance Indicators

We have a set of performance indicators that measure

- The percentage of plan commenced
- The percentage of plan completed
- The percentage of time spent by the team that is “chargeable” i.e. on audit duties
- The percentage of draft reports issued within our 15 day target
- The percentage of Final reports issued in our 10 day target
- Staff turnover
- Staff sickness
- Spend against agreed budget

Overall, performance against the indicators has been very good. We are aware that some of our draft and final reports were not issued to the customer within the agreed timeframes (15 working days for draft report and 10 working days for final report). We continue to review areas where performance in this area can be improved.

Customer Service Excellence

DAP has been successful in re-accreditation by G4S Assessment Services of the CSE standard during the year.

We issue client survey forms with our final reports. 98% replied as "satisfied" or better across our services.

Adding Value

We know we need to do more than "just the day job" and that added value means different things to different people.

We require all of our teams to aim to add value in each audit.

We have had some very complimentary feedback some of the specific examples of where our team have been able to add value to the Council include:-

‘It was useful to have the opportunity to discuss areas for development and have confirmation that standards are being met through the use of our new income management software’.

‘The auditor was very professional and balanced in their observations which made the process very useful - especially as a newly appointed manager’

Fraud Prevention and Detection

We work to support the National Fraud Initiative (NFI), which matches data between organisations.

We carry out Proactive and Reactive anti-fraud work and produce a Fraud Annual Report.



APPENDIX A

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DAP also takes part in regional networking activities representing its partners e.g. West of England Chief Auditors Fraud Sub Group.

Over the past 4 years the Counter Fraud Team have dealt with over 1,500 allegations of fraud from internal sources as well as the public, resulting in 113 prosecutions, 298 formal cautions and 51 other forms of sanctions against offenders. They have generated and or assisted in generating much needed savings in several areas of the Councils business in the form of proven cashable and non-cashable savings to the tune of £6,555,158.93. There are currently 129 live investigations for fraud being undertaken by the team. Counter-fraud arrangements are becoming a higher priority for every Council.

We ensure that policies, processes strategies and response plans are fit for purpose and up to date with the latest developments in the Counter Fraud arena.

The Contract

The Partners agreed to an extension of the Partnership for a further 7 years from April 2017, with a review after 5 years.

The contract is a “rolling” contract that enables the Partnership to enter into longer term contracts in an effective manner.

Joining and Leaving

The Partnership agreement allows for other organisations to join the Partnership in a relatively simple manner.

In order to ensure that the Partnership can plan effectively in the way it delivers services, our agreement requires Partners to provide 12 months’ notice if they wish to leave the Partnership.

Funding levels

The Partnership has successfully delivered considerable savings.

DAP day rate remains below the national average; the CIPFA 2014/15 average cost per audit day was £298; the cost of DAP was £259 per day. For 2019/20 our day rate for partners is £292.

It is important that internal audit remains “relevant” – the need to make financial savings in previous years is recognised and has been achieved; careful consideration will be required when setting future funding levels to ensure that the service is properly financed to continue to provide professional, effective, pro-active and value added services.

There will be pressure to reduce audit days, however this must be considered against sound risk management processes and the need to have effective and adequate independent assurance to meet Senior Management, s151 Officer and Audit Committee requirements.



APPENDIX A

devon**audit**partnership

Making it better going forward.

The Partnership has worked well, the benefits of partnership working are clear and we are keen to add to our partner base. However, our location, in the Devon area does bring with it challenges to further expansion.

DAP has a “Strategic Alliance” with **Audit West**, an audit and assurance partnership between North Somerset and Bath & North East Somerset (BANES) and hosted by BANES.

The Alliance is focussed on growth of both partnerships by widening the areas of expertise of assurance based services. Initially the following areas have been identified as “early wins” –

- Information Governance (Information Security, Data Protection, FOI, Records Management)
- Business Continuity (Planning & Testing);
- Financial Assessments (Viability Checks and Procurement Exercises);
- Business Rates (Growth Opportunities and Data Integration);
- Grant Return (Certification & Audit).

Robert Hutchins **Head of Devon Audit Partnership** Robert.hutchins@devon.gov.uk

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NORTH DEVON DISTRICT COUNCIL

REPORT TO: GOVERNANCE COMMITTEE

Date: 5th November 2019

TOPIC: AUDIT RECOMMENDATION TRACKER

REPORT BY: HEAD OF CORPORATE AND COMMUNITY SERVICES

1 Introduction

- 1.1 This is the regular progress report to the Committee in relation to action taken to address internal and external audit recommendations.

2. Recommendations

- 2.1 That the Committee note the actions that have been taken to address identified risks since the 3rd September Governance Committee meeting.
- 2.2 That the Committee raises any areas of concern arising from the list of outstanding recommendations.

3. Reasons for Recommendations

- 3.1 To give assurance to the Committee that audit recommendations are being actively managed, and to give the Committee a full opportunity to review any areas of concern.

4. Report

- 4.1 SMT has reviewed the high and medium risk audit recommendations to assess progress and instigate any required actions.
- 4.2 Since the last meeting the number of recommendations now tracked has raised to 1,198.

Table A) Live Audit Reports, Status & Numbers

















| Code | Title | Status | Progress | High Risk | Medium Risk | Low Risk |
|-----------------------|---|---|----------|-----------|-------------|----------|
| 15 DR | Disaster Recovery 2015/16 |  In Progress | 89% | 0 | 6 | 0 |
| 15 HN (CBL) | Housing Needs (Choice Based Lettings) 2015/16 |  In Progress | 80% | 0 | 1 | 0 |
| 15 PSR (DFG) | Private Sector Renewal (Disability Facilities Grants) 2015/16 |  In Progress | 90% | 0 | 1 | 2 |
| 16 BCM | Business Continuity Management 2015/16 |  In Progress | 93% | 0 | 8 | 1 |
| 16 HN (CBL) | Housing Needs (Choice Based Lettings) 2016/17 |  In Progress | 85% | 0 | 0 | 5 |
| 16 PL | Planning Applications 2015/16 |  In Progress | 91% | 0 | 3 | 0 |
| 16 SP | Severance Packages 2015/16 |  Overdue | 50% | 0 | 1 | 1 |
| 17 ITAM | IT Asset Management 2016/17 |  In Progress | 87% | 1 | 6 | 0 |
| 17 RM & CG | Risk Management and Corporate Governance |  Overdue | 93% | 0 | 3 | 1 |
| 17 CS | Cyber Security 2016/17 |  In Progress | 78% | 0 | 3 | 3 |
| 17 SRR | Security Review Report 2017/18 |  In Progress | 95% | 4 | 5 | 0 |
| 17 L | Licencing 2017/18 |  In Progress | 75% | 0 | 1 | 3 |
| 17 G | Grants 2017/18 |  In Progress | 86% | 0 | 2 | 5 |
| 17 PO | Parking Operations 2017/18 |  Overdue | 75% | 0 | 2 | 0 |
| 19 E&ES | Email & Exchange Server 2018/19 |  In Progress | 91% | 0 | 3 | 1 |
| 19 GDPR | General Data Protection Regulations 2018/19 |  In Progress | 49% | 0 | 0 | 7 |
| 19 CG & RM | Corporate Governance & Risk Management 2018/19 |  In Progress | 33% | 0 | 2 | 1 |

Table B: Audit recommendations setting completed since the last Audit Committee

| Recommendation | Closure Note | Original Due Date | Completed Date |
|---|--|-------------------|----------------|
| Action Plan 14 AP 01 Properties owned by NDC are registered in the Council's name with Land Registry | Following the Governance Chairman's Meeting 22/10/2019 it was noted that this recommendation has been completed. | 31-Dec-2014 | 22-Oct-2019 |
| 14 E&D 01 Joint Inclusive Equality Scheme Action Plan | Closure Note: Briefing and the Equality Impact Assessment was launched at the Managers Forum on 18 th September 2019, which was followed up by an email to SMT and Middle Managers setting out the procedures. | 31-Dec-2014 | 16-Oct-2019 |
| 14 E&D 02 Equality & Diversity website update | Closure Note: Briefing and the Equality Impact Assessment was launched at the Managers Forum on 18 th September 2019, which was followed up by an email to SMT and Middle Managers, setting out the procedures. Website and Intranet webpages have been updated. | 31-Dec-2014 | 16-Oct-2019 |
| Commission & Procurement 017 C&P 01 Procurement Strategy requires review and update | Closure Note: The weblink to the Strategy was removed as soon as this recommendation was made. | 30-Sep-2019 | 16-Oct-2019 |
| Cash Collection 18 CC 01 Processing Payments | Closure Note: The Debt Recovery Policy has been reviewed with appropriate version controls applied. All Policy & Procedure notes are now monitored on a central spreadsheet, this includes the last review date and when the next review date is due. | 30-Jun-2019 | 21-Oct-2019 |
| Main Accounting System & Budgetary Control 19 MAS & BC 01 Procedure notes | Closure Note: Procedure notes updated. All Policy & Procedure notes are now monitored on a central spreadsheet, this includes the last review date and when the next review date is due. | 30-Jun-2019 | 21-Oct-2019 |

Table C: Outstanding Audit Recommendations where Head of Service have requested a revision to the due date

| Code | Description | Progress | Latest Note | Original Due Date | Due Date |
|--|---|--|--|-------------------|-------------|
| <p>Page 55</p> <p>Grants 17 G 07 Automated workflows within Firmstep</p> | The Council should investigate the implementation of background automation processes within the Firmstep Workflow System. |  <p>95%</p> | <p>10-Oct-2019</p> <p>The implementation of the use of a Firmstep form for the application for Community Councillor Grants was implemented in June 2017 and in November 2017 for the Town and Parish Fund grants schemes. Since that date, we have only received 79 forms in total via Firmstep since June 2017 (25% of total applications for Town and Parish Fund and 30% of Community Councillor Grant fund). Due to the current limited use of the Firmstep form by applicants and difficulties experienced by applicants completing the form, the investigation of automated processes have been put on hold. Initial discussions have taken place with IT regarding the ability to automate processes, but this was not currently widely used by the Council and further investigation would be required. Request a revision to the due date to July 2020 to enable it to be kept under review until April 2020 to ascertain whether the number of applications submitted via Firmstep have increased to such a number to warrant the work associated with implementing an automated process. (NOTE: The Town and Parish Fund ceased with effect from 1st April 2019).</p> <p>Request Revised Due Date: 31 March 2020</p> | | 30-Sep-2019 |


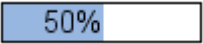
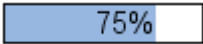
| | | | | | |
|---|--|---|---|-------------|-------------|
| Severance Packages 16 SP 01 Early Retirement Policy | The HR Manager should review the Early Retirement Policy dated April 2008 to ensure it fully reflects current legislation, The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006. |  | 21-Oct-2019 The financial sum (original limited discussed of £95k) has not yet been approved by Central Government and little progress has been made towards this. HR will now update the policy just to show that the Policy has been reviewed and appropriate version controls applied. Request Revised Due Date: 30 June 2020. | 31-Mar-2016 | 30-Sep-2019 |
| Parking Operations 17 PO 01 Review of processes and procedures | The Council should consider and review its parking operation processes and procedures and revise where needed to ensure that value for money is being achieved. |  | 21-Oct-2019 Procurement of new handheld technology completed for CEOs with go live 14 October 2019, further functionality being investigated. CEO handbook work stalled due to staff changes. National Standard CEO Handbook in development with British Parking Association. Request Revised Due Date: April 2020 | 30-Sep-2019 | 30-Sep-2019 |

Table D: Outstanding Audit Recommendations

| Code | Description | Progress | Latest Note | Original Due Date | Due Date |
|--|---|---|---|-------------------|-------------|
| Risk Management & Corporate Governance 17 RM&CG 02 Completeness of Service Risk Registers | Heads of Service should ensure all service risk registers have identified, assessed and scored all risks, with risk owners identified. Any mitigating controls, present or planned, should also be noted in each risk register. |  75% | 21-Oct-2019 SMT have just commenced the 2020/21 Service Planning Process and ALL Heads of Service will be required to update their Risk Registers as part of that process and these will be taken through SMT, until we are satisfied that they have all been reviewed. | 30-Apr-2017 | 31-Oct-2017 |

5. Progress tracking of Annual Governance Statement

- 5.1 An annual review of NDC's governance arrangements leads to the Annual Governance Statement, which forms part of the Statement of Accounts.
- 5.2 In addition to any other issues the review captures recommendations from external and internal audit and inspections and sets out an action plan. This plan is tracked through Pentana (was Covalent).

2013/14 AGS action plan is 93 % complete

6. Constitution Context

| Appendix and paragraph | Referred or delegated power? |
|------------------------|------------------------------|
| 5.5 | Delegated |


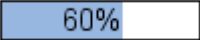
7. Statement of Internal Advice

- 7.1 The author (below) confirms that advice has been taken from all appropriate Councillors and officers.

Author: Sarah Higgins Date: 16th October 2019
Reference: Audit Recommendation Report November 2019 V.1.2

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Table E: Annual Governance Statement

| Code | Description | Status | Progress Bar | Latest Note | Original Due Date | Due Date |
|-----------|---|---|--|---|-------------------|-------------|
| 14 AGS 02 | Review & update the IT Disaster Recovery Plan |  In Progress |  | Extension of Time Request extended to 31 st March 2020 approved by Governance Committee 11 th June 2019. The Business Continuity Recommendations have last month (May 19) confirmed which services they have established are priority services for recovery. ICT await absolute confirmation that these are now the priorities. ICT will then review these and advise SMT/Governance what our currently recovery capabilities are and what further mitigation would be required to achieve these recovery points. This will require a revised back-up model either on-premise, in the cloud or a hybrid approach. ICT will also consider Disaster Recovery as a Service (DRaaS) which would also provide x2 DR Test Plans a year. ICT also have an approved Cyber Incident Response Plan. | 31-Mar-2015 | 31-Mar-2020 |

Governance Committee Work Programme 2019/20

This work programme provides structure for the Audit Committee to ensure it receives reports and updates at the appropriate meetings throughout the year. It is reviewed and updated at each committee meeting.

| | Jun 2019 | Jul 2019 | Sep 2019 | Nov 2019 | Jan 2020 | Mar 2020 |
|---|----------|----------|----------------|----------|----------|-----------------|
| North Devon Council items | | | | | | |
| Review of the Committee's Terms of Reference | | | | | | |
| Annual Review of the Committee's effectiveness (JT) | | | | | | |
| Half Yearly Report from the Chair of the Governance Committee (KJ). | | | Sept each year | | | March each year |
| Annual Governance Statement | | | | | | |
| Statement of Accounts | | | | | | |
| Letter of Representation (JT) | | | | | | |
| Compensation payments made under delegated powers. (Claire H) | | | | | | |
| Corporate Risk Register (SH) | | | | | | |
| Major changes to Accounting Policies Management procedures to be reported by the Head of Resources | | | | | | |
| Update on Governance Arrangements | | | | | | |
| 21:21 Phase 2 Report (KM) | | | | | | |
| Update on Business Continuity | | | | | | |

| | Jun 2019 | Jul 2019 | Sep 2019 | Nov 2019 | Jan 2020 | Mar 2020 |
|--|----------|-------------|----------------------|----------|----------|----------|
| Internal Auditor items | | | | | | |
| Internal Audit Annual report | | | Moved from June 2019 | | | |
| Internal Audit Strategy and Plan | | | | | | |
| Internal Audit Charter | | | | | | |
| Internal Audit Progress Report | | | | | | |
| External Auditor items | | | | | | |
| External Audit - Fee Letter | | | | | | |
| External Audit - Findings Report | | | | | | |
| External Audit - Annual Audit Letter | | | | | | |
| External Audit - Plan | | | | | | |
| Certification Work Report | | | | | | |
| External Audit - Progress Report and Sector Update | | Unavailable | | | | |
| Standing Items | | | | | | |
| Audit Recommendation Tracker | | | | | | |
| Work Programme | | | | | | |