

**NORTH DEVON COUNCIL**

Minutes of a meeting of Governance Committee held at Virtual - Online meeting on Tuesday, 9th March, 2021 at 6.30 pm

PRESENT: Members:

Councillor Roome (Chair)

Councillors Bushell, Campbell, Jenkins, Luggar, Phillips and Walker

Officers:

Chief Executive, Senior Solicitor/Monitoring Officer and Contracts Delivery Manager

**130. VIRTUAL MEETINGS PROCEDURE - BRIEFING AND ETIQUETTE**

The Corporate and Community Services Officer advised the Committee of the etiquette and procedure for virtual meetings.

**131. APOLOGIES FOR ABSENCE**

NOTE: Apologies for absence were received from Councillor Lane and Councillor Topps after the commencement of the meeting.

**132. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 12TH JANUARY 2021**

RESOLVED that the minutes of the meeting held on 12<sup>th</sup> January 2021 (circulated previously) be approved as a correct record and signed by the Chair.

**133. DECLARATIONS OF INTERESTS.**

There were no declarations of interest declared.

**134. REVIEW OF THE COMMITTEE'S TERMS OF REFERENCE**

The Committee considered a report by the Monitoring Officer regarding the Review of the Committee's Terms of Reference (circulated previously).

The Monitoring Officer presented the report to the Committee and confirmed that this was an annual report and that the terms had not changed. He did note that suggestions to include additional information within the Terms of Reference had been proposed by the Auditors the day prior to the Committee meeting.

The Committee discussed including additional detail within the document.

RESOLVED that the Review of the Committee's Terms of Reference be updated and brought back to a future meeting.

**135. ANNUAL REVIEW OF THE COMMITTEE'S EFFECTIVENESS**

The Chief Executive confirmed that only three completed surveys had been returned. It had been noted that those Members with access to only one electronic device had been unable to download and save the survey to enable completion before returning it. He advised that the Corporate and Community Services Officer, alongside the Head of Resources, would be creating an online survey which would be required to be completed by all of the Committee Members so that the report could be presented at the next Committee.

RESOLVED that the update be presented at the next Committee.

**136. 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.

**137. INTERNAL AUDIT REPORT - LEISURE CENTRE PROJECT**

The Committee considered a report by Devon Audit Partnership regarding the Internal Audit Report for the Leisure Centre Project (circulated previously).

The Contracts Delivery Manager (MK) provided the Committee with an update on the actions in the audit report:

- The roles/responsibility of the internal NDC officers on the Project Team had been defined in greater detail and presented to the Strategy and Resources Committee.
- The Risk Register review process had been updated in line with the report recommendation. A Risk Register Review had been added as a standing item to the agendas for the monthly project meetings.
- Opportunity Risk had now been added to the registers and to those of the partners, eg Speller Metcalfe, Parkwood etc. The partners' Risk Registers would be shared with the Authority if required, with the removal of any commercially sensitive confidential information.
- The Communications Strategy had been updated, with more frequent Social Media and website activity; to promote the benefits of the project to the local community and stakeholders.

- Progress reports would be provided to the Strategy and Resources Committee on a quarterly basis.

In response to a question from the Committee, the Contracts Delivery Manager advised that the Environment Agency had been consulted throughout the process and the end of site where the Leisure Centre was located was at the lower end of the risk scale for that area. The risk had possibly reduced further since the project started as a result of the Flood Mitigation process.

Internal Auditor (PM) advised the Committee that it was good practice to include an audit report in the project process. The full audits were available to be viewed by Members if required. An update to the audit would be carried out on completion of the project.

The Chief Executive advised he had considered it useful to bring the report to this Committee. He noted the usefulness of approach by internal audit and its different perspective on the project. There would need to be a focus on which reports would be put forward to the Members for consideration. The starting point was the Audit Plan. This would help Members to decide which reports they wished to see. He advised that the Future High Street fund plan may be one to view.

Councillor Luggar confirmed he agreed with the approach and felt it good practice to see periodic reports, including contractor's risk registers.

The Chair noted that he would wish to see reports on any projects which could expose the Authority to risk. This was a good project for North Devon.

RESOLVED that the Internal Audit Report – Leisure Centre Project be noted.

### **138. INTERNAL AUDIT PLAN REPORT 2021-22**

The Committee considered a report by Devon Audit Partnership regarding the Internal Audit Plan Report 2021-22 (circulated previously).

The Internal Auditor (DC) advised that:

- The Internal Audit Plan Report 2021-22 had been created as per the requirement within the Internal Audit Charter and Strategy. It was an indicative plan of the proposals for the year ahead which remained flexible. This was appropriate that the plan could change and adapt to risks.
- Over 25% of the 'Audit Plan Days' had covered Resources as the core audits (key financial systems) were covered in that team.
- Discussions had taken place with the Heads of Service to develop the plan. Consequently changes had taken place in relation to the works and processes audited.
- The additional Counter-Fraud services of the Auditors were recommended.

- The Internal Audit plan would include the following additional audits to be added for 2022/23 to 2024/25. These were 'Other Grants', Insurance, and Harbour Authority.
- Safeguarding Children and Vulnerable Adults had been added to the audits for Environment Health and Housing.
- There were no audits for 2021/22 for Operational Services as, on balance, they had not provided any high risks.
- The framework of the audits were set out in appendices 1-4 of the plan.

In response to a question from Councillor Bushell, the Chief Executive confirmed that the audit 'Legal-Councillor Grants' had been incorrectly allocated as Councillor Grants were not within the remit of the Legal team.

RESOLVED that the Internal Audit Plan 2021-22 be approved.

**139. INTERNAL AUDIT CHARTER AND STRATEGY 2021-22**

The Committee considered a report by Devon Audit Partnership regarding the Internal Audit Charter and Strategy 2021-22 (circulated previously).

The Internal Auditor (DC) advised that the Internal Audit Charter and Strategy 2021-22;

- Set out the work and reports for the coming year.
- Remained the same as 2020-21 with no change to the public sector charter. Only the layout of the report had altered.

RESOLVED that the Internal Audit Charter and Strategy 2021-22 be approved.

**140. INTERNAL AUDIT PROGRESS REPORT**

The Committee considered a report by Devon Audit Partnership regarding the Internal Audit Progress Report (circulated previously).

The Internal Auditor (PM) advised that:

- An overall level of Reasonable Assurance was expected. Of the seven audits delivered in 2020/21, all but one was 'Reasonable'. The other had an opinion of Substantial.
- Of the Audits carried out so far, the Safe Staff Operations during the Covid-19 Emergency had achieved 'Reasonable (in draft) assurance'.
- The Assurance Map (appendix 2) provided a summary of the benefit of assurance mapping, along with the Audit Plan for 2020-21.
- The Map highlighted suggested areas of weakness in red/amber.
- The Plan was progressing well, during the business time of the financial year, with the field work on Benefits and Car Parking ongoing.

- An update on Business Continuity and Cyber Security could be provided at a future meeting.

RESOLVED that the Internal Audit Progress Report be noted.

**141. 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 External Auditor (PB) confirmed:

- The outstanding work from 2019/20 had been on the Housing Benefit subsidy. The annual subsidy claim had now been signed off on 27th January 2021, in advance of the Department for Works and Pensions (DWP) deadline. It had been certified without amendment. Some errors had been identified and adjustments made. These were not significant nor of concern. The value of the adjustment had been very small.
- The 2019/20 audit had now been completed.
- The delivery of the 2020/21 had been a challenge due to the pandemic. This, and the delay to the Housing Benefit certification work had an impact on delivery times. It was expected that the audit plan would be complete by the end of March 2021 and would be formally presented at the next Governance Committee.
- The Value for Money work would be focussed on new criteria and risk. The three main changes were:
  - A new set of key criteria
  - More extensive reporting, and
  - The replacement of binary (qualified/unqualified) approach of VfM conclusions.
- Once the plan was issued they would be able to make a start on the draft accounts.
- The Auditors were confident that the September 2021 deadline would be met.

The External Auditor explained that the report contained the Sector update and information concerning the Revised Auditing Standard.

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

**142. 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:

- Five recommendations had been included in table B (recommendations completed since the last meeting of the Governance Committee).
- Table C detailed one recommendation for which a time extension to 31<sup>st</sup> March 2021 was being requested.
- There were no outstanding recommendations (Table D).
- There were three recommendations in Table E (Annual Governance Statement). The report for AGS 19/20 02 would require time to enable it to be considered by the CORGI group.

In response to questions from the Committee, the Chief Executive advised;

- An update on Business Continuity would be presented to a future Governance Committee. This would cover the detail of the transferring of servers.
- The AGS covered information on complaints and details of numbers passed to the ombudsman. Compensation reports were presented to the Committee separately.
- Freedom of Information (FOI) requests were not covered by the Governance Committee but were dealt with by the Legal team. A high percentage of the FOI requests were dealt with within the statutory time frame.

RESOLVED:

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

**143. WORK PROGRAMME**

The Committee considered the work programme for 2020/21 and 2021/22 (circulated previously).

RESOLVED: that the work programme for 2020/21 and 2021/22 be noted.

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

RESOLVED:

- (a) 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 in Paragraph 3 of Part 1 of the 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).

- (b) That, all documents and reports relating to the item be confirmed as “Not for Publication”.

**145. CORPORATE RISK REGISTER**

The Committee considered the Corporate Risk register report by the Chief Executive (circulated previously).

The Chief Executive advised the Committee that;

- This report would be presented to Governance Committee every six months.
- The report circulated had been reviewed by the CORGI group.
- The contents tied in with the Risk Registers of each team within the Authority.
- A couple risks had increased due to the pandemic.

RESOLVED that the Corporate Risk Register be noted.

Chair

The meeting ended at 8.05 pm

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