

North Devon Council Governance Committee

Date: June 2022

Half Yearly Report of the Chair of Governance Committee

The last report was presented in November 2021. Since then the Committee had met on 8th March 2022. The meeting planned for January 2022 was cancelled.

This report is usually presented to the Committee in March of each year, although, due to the cancellation of January's meeting there would have been nothing to report in March. This report, now provided in June 2022, can only report on the meeting held in March 2022.

North Devon Council Agenda Items

Update on Business Continuity

The Public Protection Officer and the Emergency Planning Officer provided an update on Business Continuity. They explained current position in relation to the planning, which included the status of the Fuel Shortage Plan.

Review of the Terms of Reference

The Senior Solicitor and Monitoring Officer confirmed that this was an annual report and that no changes were required to the Terms of Reference as there had been no changes to the Authority's Constitution.

Update on Governance Arrangements

The Chief Executive provided the Committee with an update on Governance Arrangements and confirmed that:

- No Members had provided any feedback to indicate that any had any issues with the current arrangements.
- It appeared that the Members were content with the system.
- The Authority was prevented from reverting to the previous arrangements within five years of the change, although minor adjustments could be made.

External and Internal Audit

Internal Audit Progress Report

The Committee was advised of the following in relation to the Internal Audit Progress Report

- There were 11 audits in the 2021-22 plan (as per appendix 1).
- The report would be presented for consideration in June 2022
- It was usual for 80-90% of audits to be of Reasonable assurance. Within this audit, one audit (Main Accounting System) had received Substantial Assurance, the remaining ten had received Reasonable Assurance.
- Devon Audit Partnership had been externally reviewed themselves, and achieved the highest available score.
- Works on Counter Fraud was ongoing to help identify risk and core controls, and assess risk management.
- DBS checks for officers could be considered.
- The two Reasonable Assurance reports, previously presented in draft, had now been agreed.

Internal Audit Charter and Strategy

The Internal Auditor advised that the Internal Audit Charter and Strategy explained the role of internal audit.

Internal Audit Plan 2022-23

The Internal Auditor advised the Committee that The DAP had worked with the Senior Management Team and had provided a draft plan. The draft plan provided a breakdown of the audits alongside the number of days programmed for each and covered the key areas of climate changes, cyber security and core services.

External Audit Annual Audit Report

The Committee were advised:

- The report covered three areas within the new code of practice under which the Auditors were required to assess arrangements: Financial Sustainability, Governance and Improving economy, efficiency and effectiveness.
- This was a positive report with no significant weaknesses identified, therefore there were no key or statutory recommendations. The report contained only improvement recommendations.

- The overall findings for Financial Security were of four recommendations which including the separate monitoring of the authority's savings on a tracker, and the continual review of the level of reserves held. The Authority held a level of 9.1% of the net revenue budget. The CIPFA recommended level was between 5-10%. The levels held had been viewed as prudent but would be kept under review.
- In terms of Governance there was a recommendation to review the Corporate Risk Register (CRR) every six months, with monitoring to take place quarterly. It was suggested that the focus would be any 'red' risks.
- Improving economy, efficiency and effectiveness: a rating of the performance indicators was discussed, to enable trends to be easily identified.

External Audit Progress Report and Sector Update

The External Auditor advised of the following in relation to the External Audit Progress Report and Sector Update:

- This was the final report for the 2021 audit.
- The Audit Certificate could not be issued until the guidance in relation to the WGA (Whole of Government Accounts) had been received.
- The Value for Money works had been completed in December 2021.
- The result of testing on the Housing Benefit subsidy had found one error (in the Authority's favour) resulting in a £1020 reduction in the amount the Authority would have to repay.
- The 2021/22 Audit was programmed to start in early July 2022 and was expected to be completed by September 2022.

Audit Recommendation Tracker

The Committee was advised:

- 34 recommendations had been included in table B (recommendations completed since the last meeting of the Governance Committee)
- Table C detailed 13 recommendations for which time extensions were being requested. Many of these were requested in order to coincide with the service plans
- Table D detailed 7 outstanding recommendations. These needed to be closed off of the report, as completed, or have extensions requested.
- Recommendations in Table E (Annual Governance Statement) included a mix or recommendations requiring extensions, and those completed.