

North Devon Council Governance Committee

Date: March 2025

Half Yearly Report of the Chair of Governance Committee

The last report was presented in September 2024. Since then the Committee has met on 23RD September and 12th November 2024, and 7th January 2025. This report summarises those three meetings.

23rd September 2024

Internal Audit Progress Report

The Committee was advised that the organisation had now been renamed from Devon Audit Partnership, to Devon Assurance Partnership.

The Chair noted that new Audit Standards were to be in place in 2025.

The Head of Internal Audit's Opinion was that of 'Substantial Assurance for each of the audits: Treasury Management and Environmental Protection, and Economic Development and Lottery had been awarded a "Reasonable Assurance" rating.

- Four audits had commenced for Creditors, Corporate Planning, Museum, and Corporate Programmes.
- The report provided a high-level summary audit plan – dividing the audits into 7 clear categories, with those completed showing their assurance ratings.

Future Proofing our Workforce

The Committee considered a report in relation to Future-proofing our Workforce. The Committee was advised the report had been written following previous discussions around the risks identified on the authority's Corporate Risk Register.

Local Authorities across the country were experiencing challenges in the recruitment and retention of employees, and the issue of an ageing workforce had been identified – with almost over half of the Council's staff being over 51 years of age.

The HR team were undertaking a review of the workforce data.

Local Government and Social Care Ombudsman Letter

The Committee considered the Local Government and Social Care Ombudsman Letter This letter contained the summary of complaint statistics for the year ending March 2024, of the

complaints received, two were in Waste and Recycling, and three in Environmental Health. All issues had since been resolved.

Update to Constitution

The Committee agreed the update to the delegated powers to Harbour Board: The update was required in order to give the Harbour Board the power to formally approve appointments to the advisory board.

Update report on the Conduct of Fraud Investigations

The Senior Solicitor and Monitoring Officer advised the Committee that there had been no investigations since the last Governance Committee.

Exceptions to Contract Procedure Rules

The Committee considered an extract from the minutes of the Strategy and Resources Committee of 1st July 2024. The extract covered a decision in relation to the approval of Section 106 Funds for CCTV at Anchorwood Bank with a connected contract to procure additional CCTV via the Council's existing contractor in that area as a result of these funds, therefore setting aside requirement to seek quotes in the Contract Procedure Rules.

The Senior Solicitor and Monitoring Officer advised that the decision had met the criteria to require it to be presented to the Governance Committee because it set aside the requirement to seek quotes as part of a wider decision on the use of Section 106 Funds as, given its value, if the award of the contract were being considered on its own, it would normally have been dealt with at officer delegated authority level.

Review of RIPA Policy

The Committee were advised of the review of RIPA policy. To ensure future compliance with RIPA (Regulation of Investigatory Powers Act 2000) the Council's procedure was required to remain fully up to date. It was the Senior Solicitor and Monitoring Officer's view that they remain sufficiently up-to-date and relevant. The Authority had not been required to use covert powers of surveillance since 2014. Further training would be provided to staff to raise general awareness of RIPA to avoid inadvertent breach and more specific training to front line staff on when RIPA is engaged.

External Audit – Progress Report and Sector Update

The Director of Resources and Deputy Chief Executive provided an update on behalf of the auditors:

- The deadline for the audit sign-off of the Financial Statements 2023/24 was 28 February 2025.
- Some audit work remained outstanding in relation to the valuation of assets which was due to be completed soon.
- The majority of the audit sampling had been completed.
- This was Bishop Fleming's first year on Local Government audit.
- Some staff from the previously appointed auditors (Grant Thornton) had moved over to employment with Bishop Fleming.

Audit Recommendation Tracker

Appendix A detailed the 20 live audit reports. 16 recommendations had been completed since the last meeting.

Appendix C detailed two recommendations for which time extensions were being requested.

Corporate Risk Register

The Head of Governance advised the Committee that each identified risk was covered within the report with updated notes.

12th November 2024

Review of Chief Officer Salary Levels

With the Senior Officers not present, the Committee considered a report by the Leader on the Review of Chief Officer Salary Levels.

Councillor Clayton addressed the Committee in his role as Leader, along with Paul Clarke of the LGA.

The Committee noted that:

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

The Committee made a request for additional information to be presented at the next meeting in order to assist them in their decision.

Government Consultation – enabling remote attendance and proxy voting at meetings

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

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

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

Internal Audit In-Year Monitoring Report 2024-2025

The Committee were advised that

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

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

External Audit –Completion report

The External Auditor advised that:

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

External Audit – Auditor's Annual Report

The External Auditor confirmed:

- The report was a draft – until the opinion had been issued on the accounts.

- This was a positive report.
- The numbers presented were largely affected by the fact that the previous annual report was only published by the previous auditors (Grant Thornton) in January 2024, so there had not been much time since then to address any issues identified.

Letter of Representation

The Letter of Representation formally outlined, the governance arrangements in place and the Authority's responsibilities on the financial statements presented. The Letter was presented in advance of the Full Council meeting. The Letter was required as part of the final process for the approval of the Statement of Accounts for 2023/24

Audit Recommendation Tracker

The Committee noted the following updates:

- Table A included the live audits. The layout had been amended following recommendations from the previous meeting. Details had now been updated to clearly identify which audits were not yet due, and those which were overdue, under each risk level.
- 20 recommendations had been completed since the last meeting of the Governance Committee.

7th January 2025

Urgent Items

The Senior Solicitor and Monitoring Officer addressed the Committee that he had received an application from each of Cllrs Biederman, Crabb, C. Leaver, Maskell and Roome that they wished to seek that Governance Committee would grant them a dispensation to allow those Councillors, who were both North Devon District and Devon County Councillors, to take part in the deliberation and vote in item 5 of the Extraordinary Full Council on 9th January 2025 despite having a prejudicial Other Registrable Interest as County Councillors.

The Committee were advised that:

- Item 5 of the Extraordinary Full Council on 9th January 2025 was a report by the Chief Executive; English Devolution White Paper and Local Government Reorganisation.
- Dispensation, if granted, would allow Councillors Biederman, Crabb, C. Leaver, Maskell and Roome to take part in the discussion at Full Council. Failure to grant dispensation would result in those Councillors being unable to act fully as a Committee Member for that item. Should they wish to speak on the item then they could only do so with the same permissions and powers as a member of the public and would have to leave the room for the deliberation and vote.

- Dispensation could only be approved or rejected at this meeting and there was no alternative/partial proposal to consider
- A decision to grant a deliberation must be accompanied with reasoning and it was suggested that if this was to be authorised then it would be on the basis that, in accordance with section 33(2)(c) Localism Act 2011, such dispensation was in the interests of persons living in the respective wards of the named councillors as well as the wider district (the reasoning must be recorded with the dispensation – if councillors were not content with “interests of persons living in the authority’s area” as a reason then they could consider how it was “otherwise appropriate to grant a dispensation” under s.33(2)(e) Localism Act 2011).

The Committee approved the above.

Community Risk Register and Business Continuity

The Committee received an update on Business Continuity from the Emergency Planning Officer and were also advised that a copy of the Community Risk Register went to the Senior Management Team (SMT) for review in 2024 and any changes made to the register will be fed down into the LRF and will also be considered at the corporate risk group.

Review of Chief Officer Salary Levels

With the Senior Officers not present, the Committee considered a report by the Leader on the Review of Chief Officer Salary Levels. The item had previously been discussed at the November meeting.

The Committee agreed (unanimously):

- a) That Members note the independent, updated comparative pay analysis report provided by the Local Government Association (Appendix A).
- b) That Members consider the recommendations of the Group Leaders (the appointments committee) of salary levels for Tier 1 Chief Executive (Head of Paid Service) and Tier 2 Director Resources and Deputy Chief Executive.
- c) Subject to (b) above, that Members recommend to Full Council the proposed remuneration levels for the aforementioned posts to align with the Council’s Statutory Pay Policy.
- d) To consider the outcomes of the Equality Impact Assessment as summarised in paragraph 6 of the report.

Exceptions to Contract Procedure Rules

The Committee considered an extract from the minutes of the Strategy and Resources Committees of 4th November 2024, and 2nd December 2024 (circulated previously). The extracts covered a decision in relation to the Insurance Layer for Brynsworthy Environment Centre, and Procurement of Public Art as part of a Cultural Development Fund project.

The Senior Solicitor and Monitoring Officer advised that the Contract Procedure Rules in Part 4 of the Constitution necessitate these decisions being presented to the Governance Committee.

Internal Audit In-Year Monitoring Report

The Committee were advised that

- Since the previous Governance Committee, a further three reports had been issued; CCTV, Museum, and Council Tax/Non-Domestic Rates (NNDR). CCTV and Council Tax/Non-Domestic Rates (NNDR) were awarded Substantial Assurance ratings, and Museum was awarded a Reasonable Assurance rating.
- Work had now commenced on Debtors, Procurement, Contracts and Commissioning, Regeneration Projects, ICT/Cyber Security, Housing Benefits, Customer Service Centre, Home adaptations (Disabled Facilities Grants), Emergency Planning and Business Continuity.
- the audit was on-track for completion although some element of the work may be completed in April 2025.

External Audit Progress report and Sector Update

The Director of Resources and Deputy Chief Executive advised the Committee that the financial statements for 2023/24 year had been presented to Full Council and the Final Audit Report and Statement of Accounts had been made publicly available via the website. The Chair thanked the officers and their teams for their work in achieving this

Audit Recommendation Tracker

The Committee noted the following updates:

- Table A included the live audits. Only those with High or Medium risks were reported. There were no overdue recommendations with High risks, and only one overdue at Medium risk.
- 10 recommendations had been completed since the last meeting of the Governance Committee.

- There was one recommendation for which a time extension was being requested. This was 90% completed and had been delayed due to an issue with Civica which had now been resolved.

Ministry of Housing, Communities and Local Government (MHCLG) Consultation on the Standards and Conduct Framework for Local Authorities in England

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

The Senior Solicitor and Monitoring Officer advised, for clarity, that where the report contained text in italics that that was to signify the reasoning behind the response.

The Committee agreed to the proposed answers.

Corporate Risk Register

The Head of Governance advised the Committee that each identified risk was covered within the report with updated notes.

Cyber Security Update

The committee were presented with an update on Cyber Security from the ICT Manager.

The Authority had completed two Business Continuity exercises with the LGA. The first one with ICT looking at technical controls and recovery, the second with SMT and other strategic decision makers. Sessions were well received.

Co-Opted Independent Member of the Governance Committee

Following Full Council approval, the Co-opted Independent Member was appointed.

The Committee welcomed Naomi Whitmore who has proved to be a very valuable addition to the committee.