

## **North Devon Council Governance Committee**

Date: March 2020

### **Half Yearly Report of the Chair of Governance Committee**

Since the election in May 2019 a new committee structure of the Council was introduced. The remit of the old Audit, Personnel and Ethics Committees are now combined into the Governance Committee.

The Audit Committee resolved in May 2014 that the Chair (of the now Governance Committee) would report half yearly to Council in March and September to highlight key issues that have arisen in the previous period.

The last report was presented in September 2019. Since then the Committee had met on 5<sup>th</sup> November 2019 and 7<sup>th</sup> January 2020.

### **North Devon Council Agenda Items**

#### **Driver and vehicle Licensing Agency (DVLA) Audit**

The Committee considered a letter from the Driver and Vehicle Licensing Agency in respect of the DVLA Audit of North Devon Council. The Head of Resources advised the Committee that the Audit had achieved a high level of compliance.

#### **21:21 Phase 2 report**

In November 2019 the Chief Executive provided the Committee with an update on the 21:21 project. He advised the Committee the project had been based on the Authority's previous corporate priorities. It had addressed the issues of improving services, customer focus, modernising processes and expanding the online services.

#### **Business Continuity**

In January 2020, the Public Protection Officer and the Emergency Planning Officer provided an update on Business Continuity. They explained the need for business continuity plans and the reasoning for the procedures in place and confirmed that a corporate calendar was being created to set out the works required and schedule plan review dates and a schedule of training and exercises. The results of the testing of the Business Continuity plans and procedures would be included within the MAZARS Internal Audit Progress report.

#### **Asset Management Plan**

In January 2020, the Head of Resources provided an update on the Asset Management Plan, confirming:

- The value of the assets, as presented within the plan, were reported within the annual accounts.
- The Asset Management Plan identified the assets and enabled them to be monitored and assessed to ensure they were being fully utilised.
- The Asset System software package which was currently used to collate this information would be upgraded in 2020.
- The information summarised in the AMP would be used to identify any assets which could be disposed of, or better utilised. The AMP was used to record and assess long term liabilities and details of maintenance.

### **Update on Governance Arrangements**

In January 2020, the Chief Executive confirmed the following results from a recent questionnaire which had been sent to the NDC Councillors in relation to the governance arrangements currently in place:

- 11 responses had been received (of a total possible 42). This was 26%.
- Of those who responded, 6 were newly elected Councillors and 5 had been Councillors prior to the May 2019 election.
- When asked whether they felt engaged and involved in decision making, 73% had said yes, 27% no. This equated to 80% of the existing Councillors feeling involved, and 67% of the new Councillors.

He explained that he felt the responses were mainly positive but that there were a few comments which would need to be looked at in order to help anticipate further issues. There was mention of a feeling that officers were making decisions without consulting Members. Further engagement between officers, Members and Ward Members would need to be encouraged. The new model of operation had met the criteria of speeding up the processes and also, not to incur additional cost to the Local Authority. He did not feel that there would be any need to look at any further major changes to the new arrangements.

### **External and Internal Audit**

#### **Provision of Internal Audit Services**

The Head of Resources advised the Committee that although the existing contract with MAZARS had been extended for a further year, the company were anticipating issues regarding their ability to provide the service to the North Devon Council for 2020-21 year. The recommendation was that the Council join the Devon Audit Partnership (DAP) as a partner with effect from 1<sup>st</sup> April 2020 for the provision of internal audit services. There would be a potential saving of £4,600 per annum on current costs. It was agreed to join the DAP as a partner from 1<sup>st</sup> April 2020 onwards.

## **Internal Audit Progress Report**

The Committee was advised of the following in relation to the Internal Audit Progress Report (as at November 2019):

- There were 19 audits in the 2019/20 plan. Of these, five were in progress (an increase on the three noted in the report) and four had agreed dates set.
- There were 17 audits in the 2018/2019 plan. Of these, one was currently in draft and five others were still in progress. 11 had been completed.
- Testing of all the 2018/2019 audits had been completed.
- Audit number 16 of annexe 1 (the Crematorium) had now been completed with a Full assurance rating.
- In addition to the programmed Audits for 2019/2020 listed in Annexe 2, a further two audits had been arranged: Risk Management and Corporate Governance 18<sup>th</sup> Nov 2019 and Housing Benefits 2<sup>nd</sup> Dec 2019.

As at January 2020 the following updates were noted:

- Three of the audits which had been outstanding from the 2018/19 plan had now been issued as draft, with the others now in progress. The conclusion of the 2018/19 plan was expected in advance of the next meeting.
- The Crematorium 2018/19 report had now been issued.
- The Civil Contingencies Plan draft report had been issued.
- The management responses to the Fraud, Bribery and Ethics National Fraud Initiative audit were ready to send to the Auditors.
- Progress on the 2019/20 plan had started this week with the works on the Main Accounting System and Budgetary Control.
- All other Audits had either been started, or had dates programmed.

## **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:

- The opinion on the 2018/19 accounts was issued on 31<sup>st</sup> July 2019.
- The planning for the 2019/2020 audits would begin in December / January and a detailed audit plan would be issued.
- The interim audit would start in January 2019.
- The Value for Money work would be included in the audit plan.
- The certification of the Housing Benefit Subsidy claim was currently in progress and would be completed by the 30<sup>th</sup> November 2019 deadline. This certification work was no longer part of

the Public Sector Audit Appointments (PSAA) contract and was subject to a separate engagement letter.

### **Audit Recommendation Tracker**

The Committee was advised in November that:

- An Outstanding recommendation in relation to risk registers which was being picked up as part of this year's service planning process.
- The recommendation on Table E could only be finalised once the final testing of the ICT Disaster Recovery Plan were completed.