

North Devon Council Governance Committee

Date: Sept 2020

Half Yearly Report of the Chair of Governance Committee

Since March 2020 only one Governance Committee meeting has gone ahead, albeit online. The meeting of July 2020 was cancelled.

The Chair of the Governance had attended the first Devon Audit Partnership meeting (online).

The Audit Committee resolved in May 2014 that the Chair of the 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 March 2020.

External and Internal Audit

Internal Audit Progress Report

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

- All staff of Devon Audit Partnership (DAP) were employed by Devon County Council and during Covid-10 were redeployed to the frontline services.
- The sections of the report were discussed and explanations given as to what would be covered and the DAP's approach.
- The Business Grant processes were discussed in relation to the possible opportunity for fraudulent applications. NDC's Head of Resources confirmed the systems in place would mitigate this and there had been no evidence of any fraudulent activity to date.

Internal Audit Annual Report 2019/20

The Committee was advised by MAZARS of the following in relation to the Internal Audit Annual Report 2019/20:

- The purpose of the report was to give a summary on the work undertaken during 2019/20 and compliance with standards and was a basis for forming North Devon Council's financial statements.
- With the work concluded this financial year alongside reports from 2018/19, MAZARS felt this provided a firm basis for their opinion for 2019/20.

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:

- Testing work had been completed.
- Deadline had been extended as a result of challenges faced due to the Covid-19 situation. NDC now had until the end of August 2020 to produce its draft accounts.
- The Value for Money work was underway.
- The Housing Benefit audit would begin on 10th June 2020. The Department for Works and Pensions had allowed an extension for the final subsidy claim to January 2021.
- Risks had been highlighted due to the Covid-19 situation.
- Challenges around the values of assets would be considered.

The Head of Resources confirmed:

- Talks with the Treasury were underway with Central Government regarding future tranches of funding. The Treasury were overloaded with requests for funding.
- NDC was actively lobbying the Government.
- Previous funding had been provided based on the population size/per capita.
- Council Tax recovery rates (for April to May 2020) were similar to those of the same period in 2019.
- Business Grants and the Furlough scheme had assisted the public. However the impact of the removal of such schemes could later affect their ability to pay their Council Tax and Business Rates.
- Forecasting had made allowances for the impact of a reduction in recovery rates in later months.

Audit Recommendation Tracker

The Committee was advised in June that:

- Six recommendations had required extensions.
- The two Disaster Recovery recommendations had recently been put to the test under the Covid-19 outbreak.
- Covid-19 had shown the need for the plans to constantly evolve and change.
- The recommendation on Table E could only be finalised once the final testing of the ICT Disaster Recovery Plan were completed.
- Items 15 DR 05, 15 DR 06 and BCM 07 be removed from the Audit Recommendation Tracker and be placed on the Governance Committee work programme from Sept 2020 and January 2021. After which they would be reported on at six monthly intervals.
- The relevant Senior Officer (for Business Continuity) attend future Governance Committees.