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GOVERNANCE AND RESOURCES COMMITTEE

Minutes of a meeting of the Governance and Resources Committee held on Thursday 17th March 2022 in the Council Chamber, Town Hall, Matlock at 6.00 pm.

PRESENT

Councillor Tom Donnelly - In the Chair

Councillors Jacqueline Allison, Sue Bull, Paul Cruise, Steve Flitter, Helen Froggatt, Alyson Hill, David Hughes, Stuart Lees, Dermot Murphy, Garry Purdy, Mike Ratcliffe, Alasdair Sutton.

Karen Henriksen (Director of Resources), Jenny Williams (Internal Audit Consortium Manager), Lee Gardner (Legal Services Manager) and Tommy Shaw (Democratic Services Team Leader).

APOLOGIES

Apologies for absence were received from Councillors, Colin Swindell, Michele Morley, Susan Hobson (substitute Councillor Stuart Lees) and Robert Archer (substitute Councillor David Hughes).

325/21 – MINUTES

It was moved by Councillor Tom Donnelly, Seconded by Councillor Garry Purdy and

RESOLVED

That the minutes of the meeting of the Governance and Resources Committee held on 20 January 2022 be approved as a correct record.

Voting

For	12
Against	1
Abstained	0

326/21 – PUBLIC PARTICIPATION

There were no submissions received under public participation.

327/21 – INTERESTS

No interests were declared.

328/21 – EXTERNAL AUDITOR’S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

The Director of Resources introduced a report presenting the External Auditor’s Annual Report, which summarised the work that had been undertaken for the year which ended 31 March 2021.

The report informed the Committee that a high quality and cost effective external audit should provide reassurance that the Council’s arrangements for financial management and its use of resources are satisfactory. It was stated that this should also minimise financial risks which, consequently, would minimise the risk of disruption to services and would support the achievement of many of the Council’s aims and priorities.

The report also informed the Committee that the Council’s external auditors, Mazars LLP, had issued their Annual Audit Report, which summarised the audit work completed in relation to the 2020/21 audit year. The Annual Audit Report for the year which ended 31 March 2021 was consistent with the Audit Completion Report presented to Committee on 18 November 2021, but had been updated with the outcome of the auditor’s assessment on Value for Money arrangements. No significant weaknesses in arrangements were identified and there were no recommendations arising from the work.

It was moved by Councillor Garry Purdy, seconded by Councillor Steve Flitter and

RESOLVED
(unanimously)

1. That the External Auditor’s Annual Audit Report for the year ended 31 March 2021 be received.
2. That, subject to the approval of Public Sector Audit Appointments Limited, the additional audit fee of £4,308 be approved and that Council be requested to approve a supplementary revenue estimate of £8,500 for 2021/22 (in respect of work on the 2020/21 statements).

The Chairman declared the motion CARRIED.

329/21 – INTERNAL AUDIT 2022/23 OPERATIONAL PLAN

The Internal Audit Consortium Manager introduced a report which asked the Committee to review and agree the proposed Internal Audit Operational Plan for 2022/23.

The report explained that the Audit Plan supported the Council’s Corporate Plan values by reviewing service functions and testing and reporting on service quality, internal control, risk management and governance provisions, ensuring that the Council used public resources responsibly.

The report noted that a key requirement of the Public Sector Internal Audit Standards was that a periodic risk based plan should be prepared and should be sufficiently flexible to reflect the changing risks and priorities of the organisation. It was also detailed that the risk based plan should be fixed for a period of no longer than one year and should outline the

assignments to be carried out, their respective priorities and the estimated resources needed.

The report noted that the Public Sector Internal Audit Standards stated that the Head of Internal Audit must lead and direct an internal audit service that is resourced appropriately, sufficiently and effectively to be able to provide an opinion on adequacy and effectiveness of the organisation's framework of governance, risk management and control. It was also detailed that Members and the leadership team need regular assurance that the organisation has good governance and is effectively managing its risks.

It was detailed in the report that the internal audit section is now made up of a full time Senior Auditor and a full time Auditor with management support from the Head of the Internal Audit consortium.

It was moved by Councillor Garry Purdy, seconded by Councillor Paul Cruise and

RESOLVED 1. That the proposed internal audit plan for 2022/23 be agreed.
(unanimously)

The Chairman declared the motion CARRIED.

Jenny Williams, Internal Audit Consortium Manager, left the meeting at 6:36pm

330/21 – ARREARS FOR WRITE OFF

The Director of Resources introduced a report which provided information about debtor write offs.

The report noted that under regulation B7(a) of the Council's Financial Regulations, authority is delegated to the Director of Resources to write-off individual arrears up to £10,000. Under the scheme of officer delegation the Director of Resources also has authority to write off any arrears that have been caused by an officer error. The report indicated that, on this occasion, there were no debts over exceeding £10,000 for which authorisation to write-off is required from this Committee under regulation B7(b) of the financial regulations.

The report was the second of 2021/22 and covered arrears relating to council tax, non-domestic rates, housing benefit overpayments and sundry debts, as well as including council tax backdating cases approved by the Committee in July 2021.

The debts detailed in the report had been pursued through all appropriate methods of recovery open to the Council. The Revenues Debt Recovery Policy showed the approach taken for recovery of each type of debt. It was considered that any further action attempted at recovering the debts proposed for write off would be likely to incur additional expenses to the Council without the prospect of payment. As such, the debts had been recommended for write off.

The report noted that any debt would be reinstated where further information subsequently comes to light that allows further recovery action to be pursued.

It was moved by Councillor Sue Bull, seconded by Councillor Steve Flitter and

- RESOLVED** 1. That the report be noted.
(unanimously)

The Chairman declared the motion CARRIED.

331/21 – JOINT CONSULTATIVE GROUP MINUTES

It was moved by Councillor Steve Flitter, seconded by Councillor Helen Froggatt and

- RESOLVED** That the Minutes of the Joint Consultative Group meeting held on 2nd
(unanimously) December 2021 be received.

The Chairman declared the motion CARRIED.

332/21 – EXCLUSION OF THE PUBLIC AND PRESS

It was moved by Councillor Garry Purdy seconded by Councillor Sue Bull and

- RESOLVED** That in accordance with Section 100(a) of the Local Government Act
(Unanimously) 1972 the public and press be excluded because it was likely that the nature of the business to be transacted would result in exempt information being disclosed.

At this point the Committee excluded the public and press because in considering this item as it contained information relating to action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

333/21 – RESPONSE TO CLEVELAND AND REDCAR RANSOMWARE ATTACK CASE STUDY

The Director of Resources introduced a report providing an update and recommendations in response to the Cleveland and Redcar Ransomware Attack Case Study. The report sought approval of additional expenditure associated with these recommendations.

It was moved by Councillor Helen Froggatt, seconded by Councillor Steve Flitter and

- RESOLVED** 1. That the report and measures implemented/recommended in
(unanimously) response to learning from the Cleveland and Redcar case study be noted.
2. That a request for a supplementary revenue estimate of £10,300 for 2022/23 be referred to Council for consideration in respect of an increase in the Council's share of the increased costs of the Joint-ICT Service as a result of the arrangements made in response to the Cleveland and Redcar ransomware attack case study, and that this amount be built into the base budget for future years.

The Chairman declared the motion CARRIED.

MEETING CLOSED – 7.00 PM

CHAIRMAN