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## **GOVERNANCE AND RESOURCES COMMITTEE**

### **Minutes of a special meeting of the Governance and Resources Committee held at 6.00 pm on Thursday 19 November 2020.**

Under Regulations made under the Coronavirus Act 2020, the meeting was held virtually. Members of the public were able to view the virtual meeting via the District Council's website at [www.derbyshiredales.gov.uk](http://www.derbyshiredales.gov.uk) or via our YouTube channel.

#### **PRESENT**

Councillor Sue Bull - In the Chair

Councillors Jacqueline Allison, Robert Archer Neil Buttle, David Chapman, Paul Cruise, Tom Donnelly, Steve Flitter, Alyson Hill, Susan Hobson, Michele Morley, Garry Purdy, Clare Raw, Peter Slack and Alasdair Sutton.

Paul Wilson (Chief Executive), James McLaughlin (Director of Corporate & Customer Services and Monitoring Officer), Tim Braund (Director of Regulatory Services), Steve Capes (Director of Regeneration and Policy), Rob Cogings, (Director of Housing), Karen Henriksen (Director of Resources), Jim Fearn (Communications and Marketing Manager), Paul Frith (Financial Services Manager), Mike Hase (Policy Manager) Jason Spencer (Electoral and Democratic Services Manager), Jenny Williams (Internal Audit Consortium Manager).

Councillor Colin Swindell was also present.

#### **APOLOGIES**

Apologies for absence were received from Councillors Graham Elliot and Mike Ratcliffe.

#### **151/20 – MINUTES**

It was moved by Councillor David Chapman, Seconded by Councillor Michele Morley and

#### **RESOLVED** (Unanimously)

That the minutes of the meetings of the Governance and Resources Committee held on 20 August and 22 October 2020 be approved as a correct record.

## **152/20 – EXTERNAL AUDIT COMPLETION REPORT FOR YEAR ENDED 31 MARCH 2020**

The Committee considered a report summarising the key findings from the Council's external auditors, Mazars, following receipt of their Audit Completion Report for the year ended 31 March 2020 covering the 2019/20 accounts and Value for Money (VFM) conclusion. A copy of the external auditors' full report was appended and Gavin Barker of Mazars LLP attended the meeting to present the external audit report and answer questions.

It was noted that a minor change to the disclosures in the Statement of Accounts 2019/20 had been circulated to Members of the Committee in advance of the meeting.

The key issues identified in the audit completion report were that the external auditors:

- anticipated issuing an unqualified audit opinion, without modification, on the Authority's financial statements, subject to the satisfactory completion of outstanding work.
- anticipated concluding that the Council had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.
- had not received any questions or objections from electors.
- would, in accordance with their approach at most local authorities, include "emphasis of matter" paragraphs in their report relating to the material uncertainties in the valuation of property, plant and equipment and pension assets caused by Covid-19.
- report that no new risks had been identified since they issued their Audit Strategy Memorandum.
- confirmed that, while the audit certificate may be delayed due to the National Audit office delays in issuing instructions for Whole of Government Accounts, the audit and opinion and value for money conclusion would still be issued by the deadline of 30 November.

The report noted that the external auditor anticipated issuing an unqualified value for money conclusion and had not identified any matters that would require the issue of a public interest report. It was confirmed that although Covid-19 had not had a significant impact on the 2019/20 financial year the External Auditors had kept in regular contact with the Council on the impact on the 2020/21 accounts.

The report also contained two low priority and one high priority internal control recommendations which had been accepted by management. The high priority recommendation had been brought forward from the 2018/19 report and had been highlighted by KPMG in the 2017/18 report, which related to the arrangements for Members to make declarations of related party transactions. The 2018/19 testing of declaration of interests identified 4 instances where declarations of interests were not received by the Council after several reminders to the Members. The 2019/20 testing of declaration of interests identified 5 instances where declarations of interests were not received by the Council after several reminders to the Members. It was noted that there was a potential risk that a conflict of interest was not appropriately declared. The Director of Resources provided further information on the action proposed to address this in future years.

It was moved by Councillor Susan Hobson, seconded by Councillor Michele Morley and

**RESOLVED** That the External Auditor's Audit Completion Report for the year  
(Unanimously) ended 31 March 2020 be noted.

The Chairman declared the motion CARRIED.

### **153/20 – LETTER OF REPRESENTATION 2019/20**

The Committee considered a report requesting that the Committee endorsed the draft letter of representation for the 2019/20 financial year.

To meet the International Standard on Auditing (U.K. & Ireland) 580 (ISA 580) the Council's external auditor was required to obtain evidence that the Council's management acknowledged its responsibility for the fair presentation of the financial statements in accordance with the applicable financial reporting framework and had approved the financial statements. Under the Standard the Auditor could evidence the management's acknowledgement of such responsibility by obtaining a letter of representation from management with a signed copy of the financial statements. The Director of Resources had prepared a letter in accordance with the guidance supporting ISA 580 and appended it to the report. The letter did not contain any matters of concern which need to be brought to the attention of the Committee.

ISA 580 also required the external auditor to obtain evidence that those charged with governance acknowledge their collective responsibility for the preparation of, and have approved, the financial statements. Consideration of the Letter of Representation by the Council alongside the external auditor's Audit Completion Report, prior to the approval of the Statement of Accounts, contributed to that evidence.

It was moved by Councillor Steve Flitter, seconded by Councillor Tom Donnelly and

**RESOLVED** That the draft Letter of Representation be endorsed for signature.  
(unanimously)

The Chairman declared the motion CARRIED.

### **154/20 – STATEMENT OF ACCOUNTS 2019/20**

In accordance with the Account and Audit Regulations 2015, the Committee considered the final Statement of Accounts for 2019/20, noted the key issues and approved them for signing by the Chairman of the Committee and publication.

The Statement of Accounts had been audited by the Council's External Auditors, Mazars LLP alongside the Annual Governance Statement for 2019/20. Although the overall financial position as of 31<sup>st</sup> March 2020 remained the same as set out in the Draft Statement of Accounts the audit had identified the following minor amendments:

- A restatement of the comparator 2018/19 Balance Sheet position due to incorrect treatment of the Pensions Liability arising following the transfer of Leisure Centre staff

to Freedom Leisure in August 2018. This did not impact on the 2019/20 Balance Sheet for which the Pensions disclosures were produced as required.

- A “material estimation uncertainty” of the Balance Sheet position at 31 March 2020 relating to the Council’s property portfolio and the impact of the coronavirus pandemic on property valuations. It was noted that this had affected most councils across the country and, even after taking this into account, the Audit Opinion remained unqualified.

It was noted that a reference to uncertainties of equities contained in the draft Statement of Accounts had been removed and a revised version of the Statement of Accounts had been circulated prior to the meeting.

It was noted that, due to Covid-19, the normal statutory deadline for approving the final accounts had been extended to 30<sup>th</sup> November.

It was moved by Councillor Peter Slack, seconded by Councillor David Chapman and

**RESOLVED** That the Statement of Accounts for 2019/20 be approved.  
(unanimously)

The Chairman declared the motion CARRIED.

#### **155/20 – INTERNAL AUDIT REPORTS CONCLUDED UNDER THE 2019/20 AND 2020/21 OPERATIONAL AUDIT PLAN**

The Committee considered a report on progress made in respect of the 2019/20 and 2020/21 Internal Audit Plans. The report included a summary of internal audit reports issued since the last meeting of the Committee, an update on the implementation of internal audit recommendations and an appendix detailing the 2020/21 internal audit plan, progress to date and suggested amendments.

In considering the eight reports issued from mid-December 2019 to mid-October 2020 it was noted that 2 had conclusions of “Substantial” Assurance (Housing Benefits and Network Security and Policies), 4 with “Reasonable” Assurance (Payroll, Choice Based Lettings, Safeguarding and Planning Fees) and 2 with “Limited” Assurance (Asset Management and Data Protection). In total 30 recommendations had been made and these were in the process of being implemented by management. Copies of the two reports with limited assurance were appended to the report.

The Director of Resources confirmed that the issues relating to Payment Card Industry Data Security (PCI-DSS) compliance should mostly be resolved once the new telephone system and a mid-call solution had been installed.

An update on the implementation of previous internal audit recommendations was also attached. 17 recommendations had been satisfactorily implemented since the last report, 8 recommendations were in the process of being implemented, 12 recommendations were overdue, and 13 recommendations had not passed their implementation date. A commentary was provided next to each recommendation describing the progress made.

It was noted that limited progress had been made on the 2020/21 internal audit plan due to the Council’s senior internal auditor being redeployed to implement the processes and procedures for the payment of small business grants and discretionary business grants, completing fraud risk assessments for the process and investigating any potentially

fraudulent claims. In light of this the report made recommendations on audits that should be deferred and confirmed that for the remainder of the current financial year it was hoped that the Senior Auditor would be able to focus on completing the high and medium risk areas identified within the plan.

It was moved by Councillor Garry Purdy, seconded by Councillor Neil Buttle and

**RESOLVED**  
(unanimously)

1. To note the report.
2. To note the impact of Covid-19 and the redeployment of the Senior Internal Auditor on the ability to complete the 2020/21 audit plan.
3. To agree the audit areas recommended for deferral to subsequent years as set out in Appendix 3 of the report.

The Chairman declared the motion CARRIED.

### **156/20 – DERBYSHIRE DALES DISTRICT COUNCIL COMMERCIAL TENANTS – RENT FREE PERIODS**

The Committee considered proposals to provide further rent-free periods to the Council's commercial tenants unable to trade under current national regulations due to Covid-19 at an estimated cost of £7,694.

It was noted that the Council had previously offered a four-month rent free period to provide support during the time commercial tenants were unable to trade due to the lockdown. It was confirmed that previously the National Farmers Union had declined the offer of a rent-free period at the ABC due to their policy of supporting landlords during the lockdown period.

It was moved by Councillor Steve Flitter, seconded by Councillor Peter Slack and

**RESOLVED**  
(unanimously)

1. To approve a one month rent free period to the operator of Hall Leys Park Café to reflect the current lockdown period.
2. To approve a further one month rent free period to the operators of the Hall Leys Park boating lake and train and the boating rights on the River Derwent in line with other Council tenants.
3. To approve a two-month rent free period to the ABC kiosk tenants and café to reflect the current lockdown period and to cover the extra month closure during the previous lockdown period.

The Chairman declared the motion CARRIED.

### **157/20 – ORGANISATIONAL HEALTH – KEY PERFORMANCE INDICATORS – MID-YEAR 2020/21**

The Committee considered a report summarising performance against the Council's 12 Key Performance Indicators for the first half of 2020/21 (excluding Corporate Plan Targets). The

report highlighted where the Council was performing strongly and where improvements were needed to be made.

It was noted that 9 of the targets were green, 1 was amber, 1 was red and the data for household waste and recycling rates would not be available until the end of November 2020. It was confirmed that key performance indicators performing strongly were; invoices paid on time, major planning applications determined on time, minor applications determined in 8 weeks and the speed of processing new benefit claims. The only indicator underperforming related to the collection of Non-Domestic Rates which had been impacted by the two Covid-19 lockdowns.

It was moved by Councillor Tom Donnelly, seconded by Councillor Claire Raw and

**RESOLVED** To note performance against the Key Performance Indicators for  
(unanimously) 2020/21.

The Chairman declared the motion CARRIED.

### **158/20 – RESIDENTS ONLINE PANEL SURVEY RESULTS**

The Committee considered a report setting out the results of the Derbyshire Dales residents' surveys undertaken in October 2019 and October 2020 using the Council's Online Panel. The report also set out the implications of the findings for the Council's service and financial planning.

Overall, the results of the Online Panel Satisfaction surveys suggested that there were aspects of the Derbyshire Dales that continued to have a high degree of satisfaction in areas such as a good place to live and community safety. The results also suggested that there were areas for improvement such as satisfaction with sports and leisure facilities.

It was acknowledged that the results only showed the extent to which residents were satisfied/dissatisfied with the various aspects of the District, so it was difficult to establish an understanding of the reasoning behind the ratings. It was therefore proposed that additional qualitative questions be included within the next survey to be carried out in September 2021.

It was moved by Councillor David Chapman, seconded by Councillor Alasdair Sutton and

**RESOLVED** 1. To note the areas of satisfaction and dissatisfaction highlighted  
(unanimously) by the Online Panel Survey.

2. To include additional qualitative questions in the September 2021 Online Panel Satisfaction Survey to set out the reasoning for their answers.

The Chairman declared the motion CARRIED.

### **159/20 – COMMUNICATIONS AND MARKETING STRATEGY**

The Committee considered the sixth annual report on the Communication and Marketing Strategy which set out how residents, employees and service users were kept informed about what the Council does, how it spends public money, and the services available.

While the Strategy did not have a time frame it was supported by an Annual Action Plan which was monitored by a Communications and Marketing Hub, comprising officers from all Council service areas. The report identified progress made on activities in the 2020 Action Plan and set out a new Action Plan for 2021.

It was noted that feedback from residents who had signed up for the garden waste service demonstrated the importance of adopting a multi-channel approach.

While the Committee welcomed the proposal to introduce blended meetings at the Town Hall it was noted that in the longer term this would depend upon new legislation being in place after the emergency provisions allowing virtual meetings ended in May 2021.

It was moved by Councillor Susan Hobson, seconded by Councillor Neil Buttle and

- RESOLVED** (unanimously)
1. To note the strategic framework of the current Communications and Marketing Strategy.
  2. To approve the action plan for 2021.

The Chairman declared the motion CARRIED.

Councillor Clare Raw left at 7.40pm during consideration of this item.

**MEETING CLOSED – 8.00PM**

**CHAIRMAN**