

# Public Document Pack

**Mid Devon District Council**

## **Audit Committee**

**Tuesday, 25 June 2019 at 5.30 pm**  
**Exe Room, Phoenix House, Tiverton**

**Next special meeting**  
**Monday, 15 July 2019 at 10.00 am**

Those attending are advised that this meeting will be recorded

## **Membership**

Cllr W Burke  
Cllr Mrs C Collis  
Cllr R Evans  
Cllr B A Moore  
Cllr A Wilce  
Cllr J Wright  
Cllr A Wyer

## **A G E N D A**

*Members are reminded of the need to make declarations of interest prior to any discussion which may take place*

1. **Election of Chairman**  
To elect a Chairman of the Audit Committee for the municipal year 2019/20.
2. **Election of Vice Chairman**  
To elect a Vice Chairman of the Audit Committee for the municipal year 2019/20.
3. **Apologies**  
To receive any apologies for absence.
4. **Declaration of Interests under the Code of Conduct**  
Councillors are reminded of the requirement to declare any interest, including the type of interest, and reason for that interest, either at this stage of the meeting or as soon as they become aware of that interest.
5. **Public Question Time**  
To receive any questions relating to items on the Agenda from members of the public and replies thereto.

6. **Minutes of the previous meeting** (*Pages 5 - 10*)  
Members to consider whether to approve the minutes as a correct record of the meeting held on 19 March 2019.  
  
The committee is reminded that only those Members present at the previous meeting should vote and, in doing so, should be influenced only by seeking to ensure that the minutes are an accurate record.
7. **Chairman's Announcements**  
To receive any announcements that the Chairman may wish to make.
8. **Devon Audit Partnership (DAP) representation for 2019/2020**  
To appoint the elected Chairman of the Audit Committee and one other member of the Committee as the Council's representatives to the Devon Audit Partnership (DAP) Board and to note that it is Mid Devon District Council's turn to Chair the DAP meetings during 2019/20. (*Note: the first DAP meeting will be held on 8 July 2019 in the Committee Suite, County Hall*).
9. **Performance and Risk for 2018-19** (*Pages 11 - 40*)  
To receive a report from the Director of Corporate Affairs & Business Transformation providing Members with an update of performance against the Corporate Plan and local service targets for 2018/19 as well as providing an update on the key business risks.
10. **Progress update on the Annual Governance Statement Action Plan** (*Pages 41 - 46*)  
To receive a report from the Group Manager for Performance, Governance and Data Security providing the Committee with an update on progress made against the Annual Governance Statement 2017/18 Action Plan.
11. **Internal Audit Annual Report 2018/19** (*Pages 47 - 66*)  
To receive a report from the Audit Manager updating the Committee on the work performed by Internal Audit during the 2018/19 financial year as required by the Public Sector Internal Audit Standards.
12. **Start time of meetings**  
To agree the start time of meetings for the remainder of the municipal year.
13. **Identification of items for the next meeting**  
Members are asked to note that the following items are already identified in the work programme for the next meeting:
  - Annual Governance Statement for 2018/19 including the Corporate Governance Framework
  - Annual Report and Accounts for 2018/19
  - Grant Thornton Audit Findings

Note: This item is limited to 10 minutes. There should be no discussion on the items raised.

**Stephen Walford**  
Chief Executive  
Monday 17 June 2019

Anyone wishing to film part or all of the proceedings may do so unless the press and public are excluded for that part of the meeting or there is good reason not to do so, as directed by the Chairman. Any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chairman or the Member Services Officer in attendance so that all those present may be made aware that is happening.

Members of the public may also use other forms of social media to report on proceedings at this meeting.

Members of the public are welcome to attend the meeting and listen to discussion. Lift access the first floor of the building is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are also available. There is time set aside at the beginning of the meeting to allow the public to ask questions.

An induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, or If you would like a copy of the Agenda in another format (for example in large print) please contact Sarah Lees on:

Tel: 01884 234310  
E-Mail: [slees@middevon.gov.uk](mailto:slees@middevon.gov.uk)

Public Wi-Fi is available in all meeting rooms.

This page is intentionally left blank

## MID DEVON DISTRICT COUNCIL

**MINUTES** of a **MEETING** of the **AUDIT COMMITTEE** held on 19 March 2019 at 5.30 pm

### **Present**

#### **Councillors**

R Evans (Chairman)  
Mrs C Collis, R M Deed, T G Hughes, R F Radford and  
B A Moore

### **Apologies**

#### **Councillors**

Mrs J B Binks and R Wright

### **Also Present**

#### **Councillor**

C J Eginton

### **Present**

#### **Officers**

David Curnow (Deputy Head of Devon Audit Partnership),  
Joanne Nacey (Group Manager for Finance), Catherine  
Yandle (Group Manager for Performance, Governance and  
Data Security) and Sarah Lees (Member Services Officer)

### **Also in**

#### **Attendance**

A Davies (Grant Thornton)

## 67. **Apologies**

Apologies were received from Cllr Mrs J B Binks who was substituted by Cllr B A Moore and apologies were also received from Cllr R Wright.

## 68. **Declaration of Interests under the Code of Conduct**

No interests were declared under this item.

## 69. **Public Question Time**

There were no members of the public present.

## 70. **Minutes of the previous meeting**

The minutes of the meeting held on 22 January 2019 were confirmed as a true and accurate record and **SIGNED** by the Chairman.

## 71. **Chairman's Announcements**

The Chairman had the following announcements to make:

- This was the last meeting of the Audit Committee in the four year cycle of this Council.

- He and Cllr R M Deed had attended a Devon Audit Partnership (DAP) meeting on 11 March. He stated that an invitation had been extended to South Hams District Council and West Devon Borough Council to join the partnership as non-voting members. They were a shared authority who shared internal audit staff and they welcomed an opportunity to share in the discussions. It was recommended that their first year of attendance be on a trial basis to see if they wanted to join formally as voting members in 12 months' time.

## 72. **Performance & Risk (00:04:10)**

The Committee had before it, and **NOTED**, a report \* from the Director of Corporate Affairs & Business Transformation providing Members with an update on performance against the Corporate Plan and local service targets for 2018-19 as well as providing an update on the key business risks.

It was stated that, regarding the Corporate Aim: **Build more council houses:** for Palmerston Park, handover of 12 units on practical completion due in March 2019 was no longer required with handover of all 26 units now due by August 2019.

Discussion took place regarding:

- The risks identified in the Risk Register as being 'High' and 'Very High'. This was particularly in relation to the 3 Rivers Development Company arrangements. It was explained that whilst independent advice had been sought and assurance received regarding the disclosure requirements, governance arrangements and the loan from MDDC, it was still correct to keep the risk severity as 'Very High' and for further in depth reviews to be undertaken by both the internal and external auditors.
- The target in relation to 'Bringing empty homes back into use' had been 72 for the year; this had been significantly exceeded with the current figure being 134. The Private Housing Sector team were congratulated.

Note: \* Report previously circulated; copy attached to the signed minutes.

## 73. **Progress update on the Annual Governance Statement Action Plan (00:21:40)**

The Committee had before it, and **NOTED**, a report from the Group Manager for Performance, Governance and Data Security providing the Committee with an update on progress made against the Annual Governance Statement 2017/18 Action Plan.

It was confirmed that any outstanding issues at the year-end would be carried forward into the Annual Governance Statement for 2018/2019.

Consideration was given to a number of target action dates being moved on especially in relation to the Developmental Control legacy systems and the Skills Audit. Explanations were provided as to why this was, however, there was some concern that the length of time between the original target date and the now amended date appeared to be significantly 'fluid'.

The Committee felt it was very helpful to be able to see the tracked changes in the document and thanked the officer.

Note: \* Report previously circulated; copy attached to the signed minutes.

**74. Risk and Opportunity Management Strategy (00:24:58)**

The Committee had before it a report \* from the Group Manager for Performance, Governance and Data Security presenting it with the updated Risk & Opportunity Management Strategy for approval.

The following was highlighted within the report:

- Only risks scoring 10 and above were reported to the Committee and no change was proposed to this.
- The proposed financial thresholds within the revised risk scoring guidance were now more in line with the Financial Regulations.

Concern was expressed regarding missing review notes especially in relation to high scoring risks. The question was asked as to how Members could receive assurance that a risk had been reviewed if there was no review note. It was confirmed that if a risk had not been reviewed it would not have a coloured score on the report. It was felt that it was imperative to have a review note in all cases and that this be fed back to the Leadership Team. The Group Manager for Performance, Governance and Data Security explained that section 5.9 within the revised strategy did now state that Leadership Team and Members expected to see up to date and relevant review notes on all risks reported to Committee but she would also remind Group Managers.

**RESOLVED** that the updated Risk & Opportunity Strategy be approved subject to the removal of the words 'if necessary' from the second paragraph of section 5.4.

(Proposed by the Chairman)

Note: \* Report previously circulated; copy attached to the signed minutes.

**75. Internal Audit Progress Report 2018 - 2019 (00:40:46)**

The Committee had before it, and **NOTED**, a report from the Deputy Head of the Audit Partnership providing an update on work within the Internal Audit area.

It was stated that, overall, based on work performed during 2018/19, the Head of Internal Audit's opinion continued to be one of 'Significant Assurance' on the adequacy and effectiveness of the authority's internal control framework.

Consideration was given to the following within the report:

- Customer satisfaction rates being above target.
- Work in relation to the Council being PCI compliant (Payment Card Industry) and the protections in places for customers making on line payments.
- The Council was still receiving payments by cheque approximately 20 times per month, however, customers paying in this way would be written to and informed that the Council sought alternative methods of payment, such as payment by cash through the kiosk in reception.

- Generally it was felt that the situation regarding outstanding audit recommendations had improved significantly over recent years due to a number of factors such as a change in management structure and a different emphasis entirely. However, there were still some recommendations outstanding from 2015. The view was expressed that if they had not been actioned by now they probably wouldn't be and therefore they should be removed.
- Any actions resulting from the recent business continuity exercise needed to be updated within the report.

Note: \* Report previously circulated; copy attached to the signed minutes.

#### 76. **Internal Audit Charter and Strategy 2019 / 2020**

The Committee had before it a report \* from the Audit Team Manager presenting the Committee with the Internal Audit Charter and Strategy for effective operation of the internal audit service. This set out the terms of engagement and the methodology involved.

**RESOLVED** that the Internal Audit Charter & Strategy for 2019/20 be approved.

(Proposed by the Chairman)

Note: \* Report previously circulated; copy attached to the signed minutes.

#### 77. **Internal Audit Plan 2019 / 2020**

The Committee had before it, and **NOTED**, a report \* from the Deputy Head of the Audit Partnership presenting the proposed internal audit activity for the year and an outline scope of the coverage.

The following was highlighted within the report:

- Audit needs had been discussed with management and the cyclic plan updated to take in this wider risk based remit.
- Key risks had been identified with Directors, with a key focus on, corporate responsibility in relation to safeguarding, key developments, commercialisation, information governance and cyber security.
- The report showed the rolling plan up until 2022/2023 where there would be a continued focus on financial security.
- Assessing the Risk Register was a key factor in assigning the number of days to audits.

**RESOLVED** that the Internal Audit Plan for 2019/2020 be approved.

(Proposed by Cllr T G Hughes and seconded by Cllr R M Deed)

Note: \* Report previously circulated; copy attached to the signed minutes.



## 78. **External Audit Progress Report and Sector Update (01:08:00)**

The Committee had before it, and **NOTED**, a report \* from Grant Thornton providing an update on progress in delivering their responsibilities as the Council's external auditors.

The following was highlighted within the report:

- Progress on the overall audit and the results of the interim audit undertaken in February 2019.
- A survey would be issued to Grant Thornton's clients in the autumn of 2019 requesting feedback on their performance.
- Some early substantive testing had been undertaken ahead of year end and an analysis made of the Medium Term Financial Plan and the assumptions underpinning that. No areas of concern had been brought to light thus far in the process.
- Work on the pooling of capital receipts had also been completed.

It was requested that consideration be given to providing Members with a briefing on the Council's response to the Financial Resilience Index consultation stated within Grant Thornton's report.

Note: \* Report previously circulated; copy attached to the signed minutes.

## 79. **Chairman's Annual Report for 2018/19**

The Committee had before it, and **NOTED**, a draft report \* by the Chairman of the Committee, a final copy of this report would be submitted to Council on 24 April 2019.

Note: \* Report previously circulated and attached to the signed minutes.

## 80. **Identification of items for the next meeting**

In addition to the items already identified in the work programme for the next meeting it was requested that the following be added to the agenda:

- Annual Governance Statement Outturn report
- Internal Audit Progress Outturn report for 2018/2019

(The meeting ended at 6.47 pm)

**CHAIRMAN**

This page is intentionally left blank

## AUDIT COMMITTEE 25 JUNE 2019

### PERFORMANCE AND RISK FOR 2018-19

**Cabinet Member** Cllr Bob Deed  
**Responsible Officer** Director of Corporate Affairs & Business Transformation,  
Jill May

**Reason for Report:** To provide Members with an update on performance against the corporate plan and local service targets for 2018-19 as well as providing an update on the key business risks.

**RECOMMENDATION:** That the Committee reviews the Performance Indicators and Risks that are outlined in this report and feeds back any areas of concern.

**Relationship to Corporate Plan:** Corporate Plan priorities and targets are effectively maintained through the use of appropriate performance indicators and regular monitoring.

**Financial Implications:** None identified

**Legal Implications:** None

**Risk Assessment:** If performance is not monitored we may fail to meet our corporate and local service plan targets or to take appropriate corrective action where necessary. If key business risks are not identified and monitored they cannot be mitigated effectively.

**Equality Impact Assessment:** No equality issues identified for this report.

### 1.0 Introduction

- 1.1 Appendices 1-5 provide Members with details of performance against the Corporate Plan and local service targets for the 2018-19 financial year.
- 1.2 When benchmarking information is available it is included.
- 1.3 Appendix 6 shows the higher impact risks from the Corporate Risk Register. This includes Operational and Health & Safety risks where the score meets the criteria for inclusion. See 3.0 below.
- 1.4 Appendix 7 shows the risk matrix for the Council.
- 1.5 All appendices are produced from the Corporate Service Performance And Risk Management system (SPAR).

## 2.0 Performance

### Environment Portfolio - Appendix 1

- 2.1 Regarding the Corporate Plan Aim: **Increase recycling and reduce the amount of waste: % of household waste reused, recycled and composted**; the final result for the recycling rate for the year was just above target at 53.2% compared to 51.9% last year. MDDC do very well with our recycling rates, the English average for 2018/19 was 45%.
- 2.2 The residual waste is correspondingly better than target at 364.40Kg against the target of 378Kg and last year's final result of 381.4Kg per household. The English average for 2018/19 was 466.53Kg.
- 2.3 The performance regarding missed collections remains the same with recycling better than refuse, although both are very low, as is the target. The Service is just outside its target of annual cost of £45.31 per household for 2018/19 but has exceeded its target to reduce the cost of collection by at least 20% (from 2014/15 outturn) a year early. This is a fantastic result.
- 2.4 Regarding the Corporate Plan Aim: **Protect the natural environment**: There have been 17 Fixed Penalty Notices (FPNs) issued so far this year with one offender having appeared in court resulting in a fine of £800 for non-payment of the FPN. All fly-tipping incidents are also being investigated, 166 in the last quarter.
- 2.5 Regarding the Corporate Plan Aim: **Reduce our carbon footprint**: From May 2018 all residual waste accepted at the Waste Transfer Station at Carlu Close was transported to the Exeter Energy from Waste (EfW) plant.
- 2.6 We installed heat pumps at Unit 10 Market Walk as part of the refurbishment. The number of public electric car charging points at the Leisure centres has been doubled; there are now 2 at each centre. Additional chargers are being installed as part of the Premier Inn project. Capital schemes for LED lighting are being identified.

### Homes Portfolio - Appendix 2

- 2.7 Regarding the Corporate Plan Aim: **Build more council houses**: Birchen Lane (4 units) was completed in November 2018, Burlescombe (6 units) was completed in March 2019 and Palmerston Park is due for handover of all 26 units in August 2019.
- 2.8 Regarding the Corporate Plan Aim: **Facilitate the housing growth that Mid Devon needs, including affordable housing**: Last year was very successful with both measures well above target. This year the same has been achieved with the **Number of Affordable homes** just above target and **Bringing Empty homes** into use well exceeding the annual target.

- 2.9 Regarding the Corporate Plan Aim: **Planning and enhancing the built environment: Performance Planning Guarantee determined within 26 weeks** was just below target for the year but all 4 speed and quality measures were well above the required target. These are all reported quarterly.
- 2.10 Local Plan update: The Inspector has confirmed he is content with the overall housing need figure for Mid Devon for the period to 2033 (7,860 in total, 393 per year). However, he has requested more information about projected housing delivery to address a concern over sufficient housing in the early years of the plan, to ensure the Council has the required five year housing land supply.
- 2.11 Regarding the Corporate Plan Aim: **Other:** all measures are either on or above target except for **Average days to re-let** which was just outside the very challenging target of 14 days, this is a great result.
- 2.12 Whilst the target has not been quite reached our performance on voids has been so good that peers have asked how we have achieved this.
- 2.13 On 9 October 2018, the Housing Service hosted a regional meeting for TPAS, the Tenant Participation Advisory Service. The event was attended by 50 external attendees and four of our own involved tenants. Representatives from the Regulator for Social Housing and the Ministry of Housing, Communities and Local Government were also present. Three Officers and an involved tenant, David Taylor, gave a presentation about our approach to tenant involvement which was very well received.
- 2.14 Housing performance remains in the top quartile compared with HouseMark.

#### Economy Portfolio - Appendix 3

- 2.15 Regarding the Corporate Plan Aim: **Focus on business retention and growth of existing businesses:** we record **Businesses assisted** which is above target; they have to be assisted for a minimum of an hour to be included in this figure. MDDC has also been instrumental in four successful bids for LEADER funding for Mid Devon businesses this year.
- 2.16 Regarding the Corporate Plan Aim: **Improve and regenerate our town centres with the aim of increasing footfall, dwell-time and spend in our town centres:** for **Empty Shops**, the vacancy rates in Tiverton and Crediton have improved for the last quarter but Cullompton's have deteriorated being the only PI on the appendix showing as "red". The national average vacancy rate was 11.5% at the end of 2018.
- 2.17 Corporate projects to provide incubator space for businesses and the Tiverton Town Centre Improvements are progressing.
- 2.18 Local Plan update: The Inspector has confirmed he is content with the Council's proposals for mixed tourism and shopping development at J27 and does not propose policy changes.



#### Community Portfolio - Appendix 4

- 2.19 Regarding the Corporate Plan Aim: **Promote physical activity, health and wellbeing**: A total refurbishment of the fitness studio at Lords Meadow Leisure Centre costing £185,000 was completed, the official opening ceremony for the facility was on 10 January 2019. The decision to revamp the facility was approved by Cabinet on 25 October.
- 2.20 The first Trim Trail, in Amory Park Tiverton, has been completed.
- 2.21 **Other: compliance with food safety law** there has been some reclassification of premises which has reduced the number of higher risk premises this PI relates to.
- 2.22 Gigaclear made an announcement on 1 November 2018 that they are in significant delay in delivering superfast broadband across Devon and Somerset.
- 2.23 Digital inclusion work has commenced with the Web Accessibility legislation impact being assessed. This is because of an EU directive regarding new website accessibility requirements being introduced over the next 2 years.

#### Corporate - Appendix 5

- 2.24 **Working days lost due to sickness** is well below target but not higher than the average for English authorities according to the LGA. The Sickness Absence Action Plan went to Leadership Team for approval in October.
- 2.25 The **Response to FOI requests** remains slightly below target despite reminders being sent to respondents. This is being actively monitored by Leadership Team and performance has been 100% since April 2019. The new performance reporting requirements contained in the Cabinet Office Code of Practice on FOI were published on our website for the first time as at September.
- 2.26 Progress is steady with Premier Inn since the partial demolition of the car park started. Our retail units at Market Walk were fully let out for Christmas 2018. However the occupancy rate has now fallen back below 100% with 2 units empty and notice given on another 2 with effect from September 2019.
- 2.27 The **% total Council Tax collected** is slightly below target at 97.79% (98.50%) while **% total NNDR collected** is slightly above target at 99.29% (99.20%).
- 2.28 The cash collection project achieved the 1 December go live date. Some constituents have raised concerns with Councillors.

### **3.0 Risk**

- 3.1 The Corporate risk register is reviewed by Leadership Team (LT) and updated; risk reports to committees include risks with a total score of 10 or more. (Appendix 6)
- 3.2 Appendix 7 shows the risk matrix for MDDC for this quarter. If risks are not scored they are included in the matrix at their inherent score which will be higher than their current score would be.

### **4.0 Conclusion and Recommendation**

- 4.1 That the Committee reviews the performance indicators and any risks that are outlined in this report and feeds back any areas of concern.

**Contact for more Information:** Catherine Yandle Group Manager for Performance, Governance and Data Security ext 4975

**Circulation of the Report:** Leadership Team and Cabinet Member



## Corporate Plan PI Report Environment

Monthly report for 2018-2019  
 Arranged by Aims  
 Filtered by Aim: Priorities Environment  
 For MDDC - Services

## Key to Performance Status:

Performance Indicators:

No Data

Well below  
target

Below target

On target

Above target

Well above  
target

\* indicates that an entity is linked to the Aim by its parent Service

Corporate Plan PI Report Environment																		
Priorities: Environment																		
Aims: Increase recycling and reduce the amount of waste																		
Performance Indicators																		
Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual Date	Group to Manager	Officer Notes
<u>Residual household waste per household (measured in Kilograms) (figures have to be verified by DCC)</u>	381.40		378.00	32.30	64.15	92.52	119.90	154.32	182.68	213.14	241.11	270.86	306.74	335.05	364.40		Stuart Noyce	(April - March) There is a 4.46% decrease in the amount of residual waste collected compared to last year. Social media campaigns and publicity encouraging recycling and reuse has contributed towards the continued decline. (LD)
<u>% of Household Waste Reused, Recycled and Composted (figures have to be verified by DCC)</u>	51.9%		53.0%	54.3%	55.0%	56.5%	56.1%	54.5%	54.2%	54.2%	54.1%	53.5%	53.2%	52.9%	53.2%		Stuart Noyce	(March) Good increase in recycling rate from increased dry recycling and reduction total waste generated (SN)
<u>Net annual cost of waste service per household</u>	£49.91		£45.31	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	£45.55		Stuart Noyce	(2018 - 2019) A reduction of 16.28% since 2016/17 (LD)
<u>Number of Households on Chargeable Garden Waste</u>	9,386		9,500	9,613	9,848	9,912	9,953	9,978	10,034	9,967	9,837	9,688	9,712	9,753	9,904		Stuart Noyce	(March) 404 customers over the 9,500 customer target for the year (LD)
<u>% of missed collections reported (refuse and organic waste)</u>	0.04%		0.03%	0.02%	0.02%	0.03%	0.03%	0.03%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%		Stuart Noyce	(March) Missed collections are over target for the year however the trend for the past 4 months is either on or under target reflecting a steady rate of continued improvement. (LD)
<u>% of Missed Collections logged (recycling)</u>	0.03%		0.03%	0.01%	0.01%	0.01%	0.01%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%		Stuart Noyce	(March) Close monitoring has ensured that missed collections for recycling are under target

**Corporate Plan PI Report Environment****Priorities: Environment****Aims: Increase recycling and reduce the amount of waste****Performance Indicators**

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Group to Manager	Officer Notes
																		for the year. (LD)

**Aims: Protect the natural environment****Performance Indicators**

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Group to Manager	Officer Notes
<u>Number of Fixed Penalty Notices (FPNs) Issued (Environment)</u>	49		N/A	3	4	7	8	9	11	12	12	12	13	15	17		Stuart Noyce	

## Corporate Plan PI Report Homes

Monthly report for 2018-2019  
 Arranged by Aims  
 Filtered by Aim: Priorities Homes  
 For MDDC - Services

## Key to Performance Status:

Performance Indicators:

No Data

Well below  
target

Below target

On target

Above target

Well above  
target

\* indicates that an entity is linked to the Aim by its parent Service

## Corporate Plan PI Report Homes

## Priorities: Homes

## Aims: Build more council houses

## Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Build Council Houses</u>	0		26	0	2	2	2	2	2	2	6	6	6	6	6	Angela Haigh	(March) Palmerston Park not yet complete (

## Aims: Facilitate the housing growth that Mid devon needs, including affordable housing

## Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Number of affordable homes delivered (gross)</u>	115		80	n/a	n/a	18	n/a	n/a	29	n/a	n/a	37	n/a	n/a	87	Angela Haigh	
<u>Deliver homes by bringing Empty Houses into use</u>	128		72	13	19	26	29	56	70	92	107	121	134	144	150	Simon Newcombe	

## Aims: Other

## Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Gr Ma
<u>% Decent Council Homes</u>	100.0%		100.0%	99.8%	99.9%	99.7%	99.8%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	100.0%	100.0%	Ar Hæ
<u>% Properties With a Valid Gas Safety Certificate</u>	99.69%		100.00%	99.69%	99.78%	99.73%	99.91%	99.91%	99.91%	99.87%	99.91%	100.00%	99.96%	100.00%	100.00%	Ar Hæ
<u>Rent Collected as a Proportion of Rent Owed</u>	99.25%		100.00%	95.34%	96.76%	97.09%	97.68%	99.26%	99.59%	99.40%	98.61%	100.24%	99.90%	99.91%	100.18%	Ar Hæ
<u>Current Tenant Arrears as a Proportion of Annual Rent Debit</u>	0.95%		1.00%	1.13%	1.17%	1.29%	1.34%	1.32%	1.31%	1.33%	1.51%	1.07%	1.31%	1.43%	0.79%	Ar Hæ
<u>Dwelling rent lost due to voids</u>	0.5%		Target determined by Portfolio Holder for Housing	0.71%	0.67%	0.70%	0.65%	0.57%	0.55%	0.52%	0.50%	0.50%	0.51%	0.50%	0.50%	Ar Hæ
<u>Average Days to Re-Let Local Authority Housing</u>	15.5days		14.0days	16.6days	15.9days	16.1days	15.6days	15.7days	15.5days	14.9days	14.5days	14.4days	14.4days	14.5days	14.3days	Ar Hæ

This page is intentionally left blank

## Corporate Plan PI Report Economy

Monthly report for 2018-2019  
 Arranged by Aims  
 Filtered by Aim: Priorities Economy  
 For MDDC - Services

## Key to Performance Status:

Performance Indicators:

No Data

Well below  
target

Below target

On target

Above target

Well above  
target

\*  
 indicates that an entity is linked to the Aim by its parent Service

## Corporate Plan PI Report Economy

## Priorities: Economy

## Aims: Attract new businesses to the District

## Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Number of business rate accounts</u>	3,028		3,000	3,004	3,004	3,044	3,049	3,049	3,054	3,055	3,061	3,075	3,081	3,092	3,094	Andrew Jarrett, Fiona Wilkinson	

## Aims: Focus on business retention and growth of existing businesses

## Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Businesses assisted</u>	261		250	25	50	78	102	122	139	172	201	204	218	243	268	Adrian Welsh	(March) 7 new businesses assisted 25 businesses assisted in total (MF)

## Aims: Improve and regenerate our town centres

## Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Increase in Car Parking Vends</u>	47,790			49,410	51,507	51,931	53,629	53,627	51,547	52,273	51,821	50,589	45,893	43,525	49,695	Andrew Jarrett	
<u>The Number of Empty Shops (TIVERTON)</u>	21		18	n/a	n/a	22	n/a	n/a	21	n/a	n/a	20	n/a	n/a	18	Adrian Welsh	(Quarter 4) Vacancy rate is 7.7% (MF)
<u>The Number of Empty Shops (CREDITON)</u>	11		8	n/a	n/a	10	n/a	n/a	8	n/a	n/a	9	n/a	n/a	7	Adrian Welsh	(Quarter 4) Jan 2019 7 units representing 6.0% of total units (JB)
<u>The Number of Empty Shops (CULLOMPTON)</u>	8		8	n/a	n/a	6	n/a	n/a	7	n/a	n/a	9	n/a	n/a	11	Adrian Welsh	(Quarter 4) Vacancy rate is 12.9% (MF)

## Aims: Other

## Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Funding awarded to support economic projects</u>	£35,899			n/a	n/a	£0	n/a	n/a	£160,395	n/a	n/a	£160,395	n/a	n/a	£186,223	Adrian Welsh	(Quarter 4) Within Q4 £16,208 LEADER funding to Crediton St. Boniface project , and £9,620 LEADER funding awarded to Mid Devon destination website. (MF)

This page is intentionally left blank

## Corporate Plan PI Report Community

Monthly report for 2018-2019

Arranged by Aims

Filtered by Aim: Priorities Community

Filtered by Flag: Exclude: Corporate Plan Aims 2016 to 2020

For MDDC - Services

Key to Performance Status:

Performance Indicators:

No Data

Well below  
target

Below target

On target

Above target

Well above  
target

\* Indicates that an entity is linked to the Aim by its parent Service

### Corporate Plan PI Report Community

#### Priorities: Community

#### Aims: Promote physical activity, health and wellbeing

##### Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>GP Referrals</u>	22			22	22	22	22	22	22	22	22	22	22	22	22	Corinne Parnall	(March) 22 (K)

#### Aims: Other

##### Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Compliance with food safety law</u>	88%		90%	85%	85%	85%	85%	85%	86%	86%	87%	87%	88%	88%	88%	Simon Newcombe	(April - August) The reduction to 85% compliance is a statistical issue. The cycle of inspection and interventions has meant a 3-yearly review of the lowest category risk premises has been completed this financial year. This has resulted in a number being identified as no longer active/preparing food and require deregistration. Such low-risk premises (e.g. village halls/pre-prepared food) have the most straight-forward compliance targets and typically score above 90% as a result. Having

**Corporate Plan PI Report Community****Priorities: Community****Aims: Other****Performance Indicators**

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
																	fewer such premises means the overall % compliance across the district is now lower. The higher risk premises are still performing as before and the number of food retail premises scoring 4 or 5 on Scores-on-door remain unaffected. (CY)



## Corporate Plan PI Report Corporate

Monthly report for 2018-2019  
 Arranged by Aims  
 Filtered by Aim: Priorities Delivering a Well-Managed Council  
 For MDDC - Services

## Key to Performance Status:

Performance Indicators:

No Data

Well below  
target

Below target

On target

Above target

Well above  
target

\* indicates that an entity is linked to the Aim by its parent Service

Corporate Plan PI Report Corporate																
Priorities: Delivering a Well-Managed Council																
Aims: Put customers first																
Performance Indicators																
Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Comments
% of complaints resolved w/in timescales (10 days - 12 weeks)	92%		90%	94%	96%	89%	89%	90%	91%	93%	93%	94%	94%	94%	94%	Likely to meet
Number of Complaints	22			18	23	26	29	29	29	30	30	29	29	29	29	Likely to meet
New Performance Planning Guarantee determine within 26 weeks	99%		100%	n/a	n/a	100%	n/a	n/a	100%	n/a	n/a	99%	n/a	n/a	99%	Just on track
Major applications determined within 13 weeks (over last 2 years)	83%		60%	n/a	n/a	86%	n/a	n/a	91%	n/a	n/a	86%	n/a	n/a	85%	Just on track
Minor applications determined within 8 weeks (over last 2 years)	79%		65%	n/a	n/a	73%	n/a	n/a	75%	n/a	n/a	77%	n/a	n/a	78%	Just on track
Major applications overturned at appeal (over last 2 years)	4%		10%	n/a	n/a	3%	n/a	n/a	3%	n/a	n/a	3%	n/a	n/a	3%	Just on track
Minor applications overturned at appeal (over last 2 years)	0%		10%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a	0%	Just on track
Response to FOI Requests (within 20 working days)	72%		100%	97%	98%	98%	98%	98%	97%	97%	96%	95%	95%	95%	95%	Close to target
Working Days Lost Due to Sickness Absence	8.82days		7.00days	0.64days	1.34days	2.17days	2.81days	3.49days	4.20days	4.86days	5.61days	6.36days	7.26days	7.85days	8.24days	More than target
Return on Commercial Portfolio	4.9%		7.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	6.1%	Above target
% total Council tax collected - monthly	98.00%		98.50%	11.32%	20.63%	29.48%	38.51%	47.43%	56.33%	66.14%	75.22%	84.11%	93.09%	97.08%	97.79%	Above target
% total NNDR collected - monthly	99.22%		99.20%	12.15%	23.60%	32.20%	40.39%	47.45%	56.32%	64.83%	70.81%	76.36%	88.27%	97.60%	99.29%	Above target
Page 25																
Printed by: Catherine Yandle SPAR.net Print Date: 2025-03-20 15:00																

**Corporate Plan PI Report Corporate****Priorities: Delivering a Well-Managed Council****Aims: Put customers first****Performance Indicators**

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Gr M:
<u>Number of visitors per month</u>	2,517		2,750	2,172	2,351	2,323	2,393	2,341	2,338	2,360	2,315	2,152	2,068	1,970	1,923	Lis Le
<u>Satisfaction with front-line services</u>	97.14%		80.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	Lis Le

Printed by: Catherine Yandle

SPAR.net

Print Date: 13

## Corporate Risk Management Report - Appendix 6

Report for 2019-2020

Filtered by Flag: Include: \* Corporate Risk Register

For MDDC - Services

Filtered by Performance Status: Exclude Risk Status: Low

Not Including Risk Child Projects records, Including Mitigating Action records

### Key to Performance Status:

Mitigating Action:	Milestone Missed	Behind schedule	On / ahead of schedule	Completed and evaluated	No Data available
Risks:	No Data (0+)	High (15+)	Medium (6+)	Low (1+)	

## Corporate Risk Management Report - Appendix 6

**Risk: Absence of Key Staff** Loss of key staff from service (either temporary or permanent) could result in being unable to meet statutory duties and administer an election

**Service: Elections and Electoral Registration**

**Mitigating Action records**

No Mitigating Action records found.

**Current Status: Medium (12)**

**Current Risk Severity: 4 - High**

**Current Risk Likelihood: 3 - Medium**

**Service Manager: Jill May**

**Review Note:** contingency plans - AEA and Devon Group partnership working (could borrow staff)

### **Risk: Corp RA - Recycling Income**

Reduction in material income levels due to market forces meaning income less than budget.

**Service: Street Scene Services**

**Mitigating Action records**

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
Completed and evaluated	Joint contract with Devon County Council - paper/glass/textiles	Security of contract covering all authorities. The contract is monitored by DCC, consultation takes place with all districts to ensure it fits requirements.	Lorraine Durrant	11/03/2019	11/03/2019	Fully effective(1)
On / ahead of schedule	Joint Purchasing with Exeter City Council	ECC broker ensures best price for	Lorraine Durrant	11/03/2019	11/03/2019	Satisfactory (2)

## Corporate Risk Management Report - Appendix 6

### Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
		plastic,cans and cardboard for both authorities using 'spot market'.				
On / ahead of schedule	Monitoring procedures in place to ensure quality of product.	To ensure standard of product sent for sale is at an acceptable level ; keeping rejects to a minimum.	Stuart Noyce	11/03/2019	11/03/2019	Satisfactory (2)
On / ahead of schedule	Monthly monitoring of income	Monthly monitoring of income and comparison to previous year for each material stream will identify any price fluctuations.	Lorraine Durrant	11/03/2019	11/03/2019	Satisfactory (2)
<b>Current Status: Medium (12)</b>		<b>Current Risk Severity: 4 - High</b>		<b>Current Risk Likelihood: 3 - Medium</b>		

**Service Manager: Stuart Noyce**

**Review Note:** Prices seem to have stabilised; a possible effect of Brexit.

### Risk: Culm Garden Village

Financial risk as costs are being incurred already and these would be unbudgeted.

**Service: Planning**

### Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
On / ahead of schedule	Further bids for capacity funding		Jenny Clifford	29/03/2019	29/03/2019	Satisfactory(2)
<b>Current Status: Medium (10)</b>		<b>Current Risk Severity: 5 - Very High</b>		<b>Current Risk Likelihood: 2 - Low</b>		

**Service Manager: Jo Nacey**

**Review Note:** £300,000 awarded for 18/19. Likelihood score adjusted accordingly. Recommend further risk review autumn 19 when more will be known on the Government's on-going position.

## Corporate Risk Management Report - Appendix 6

**Risk: Cyber Security** Inadequate Cyber Security could lead to breaches of confidential information, damaged or corrupted data and ultimately Denial of Service. If the Council fails to have an effective ICT security strategy in place.

Risk of monetary penalties and fines, and legal action by affected parties

**Service: I C T**

### Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
Completed and evaluated	Email and Protective DNS	ICT have applied the all levels of the government secure email policy, which ensures secure email exchange with government agencies operating at OFFICIAL. PSN DNS has been configured at the Internet gateway, which ensures the validity of websites and blocks known sites.	Alan Keates	06/06/2019	06/06/2019	Fully effective (1)
Completed and evaluated	Information Security Policy in place, with update training	Information Security Policy reviewed. LMS (online policy system) included in induction.	Catherine Yandle	22/10/2015	06/06/2019	Fully effective (1)
On / ahead of schedule	Regular user awareness training	Staff and Member updates help to reduce the risk	Alan Keates	03/01/2019	06/06/2019	Satisfactory (2)
Completed and evaluated	Technical controls in place	Required to maintain Public Sector Network certification	Alan Keates	03/01/2019	06/06/2019	Fully effective (1)

**Current Status: High (20)**

**Current Risk Severity: 5 - Very High**

**Current Risk Likelihood: 4 - High**

**Service Manager: Alan Keates**

**Review Note:** ICT have applied the all levels of the government secure email policy, which ensures secure email exchange with government agencies operating at OFFICIAL. PSN DNS has been configured at the Internet gateway, which ensures the validity of websites and blocks known sites.

**Risk: Funding** Insufficient resources to deliver growth aspirations of Corporate Plan.

## Corporate Risk Management Report - Appendix 6

**Service: Growth, Economy and Development**

### Mitigating Action records

No Mitigating Action records found.

**Current Status: Medium (12)**

**Current Risk Severity: 4 - High**

**Current Risk Likelihood: 3 - Medium**

**Service Manager: Adrian Welsh**

**Review Note:** Multiple work streams requiring staff resource and wide skill set, lack of success to lever in funding to deliver growth and associated infrastructure.

Consequence: Failure to realise growth aspirations, hampers economic growth, insufficient housing to meet needs, lack of progress on strategic sites, failure to secure business rate growth, Garden Village project does not happen or does not meet GV quality aspirations.

Mitigation: Prioritisation of staff resource, bids and expression of interest submissions to suitable Government funding streams to deliver infrastructure, unlock sites and cover costs of staff resource, effective utilisation of s106 monies, develop collaborative and partnership working

**Risk: GDPR compliance** That the Council cannot demonstrate that we are compliant with GDPR requirements.

**Service: Governance**

### Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
On / ahead of schedule	IDOX Records Handling Plan	To utilize IDOX bulk data handling tool across the Council services using Uniform	Catherine Yandle	01/03/2019	28/03/2019	Poor - action required(3)
On / ahead of schedule	Records Management Action Plan	To improve identified issues with records management	Catherine Yandle	15/06/2018	28/03/2019	Satisfactory (2)
Current Status: Medium (10)		Current Risk Severity: 5 - Very High			Current Risk Likelihood: 2 - Low	
Service Manager: Catherine Yandle						
Review Note: Other work continues. Report to LT due in June on position one year on.						

**Risk: Health and Safety** Inadequate Health and Safety Policies or Risk Assessments and decision-making could lead to Mid Devon failing to mitigate serious health and safety issues

**Service: Human Resources**

### Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
No Data available	Risk Assessments	Review risk assessments and procedures to ensure that we have robust	Paul N Williams	28/05/2013	15/11/2018	No Score(0)

## Corporate Risk Management Report - Appendix 6

### Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
		arrangements in place.  In progress ready for September reports.				

**Current Status: Medium (10)**

**Current Risk Severity: 5 - Very High**

**Current Risk Likelihood: 2 - Low**

**Service Manager: Michael Lowe**

**Review Note:** Whilst there is an improvement in procedures the safety reviews carried out still show further work is required in implementing these into the work place

**Risk: Homelessness** Insufficient resources to support an increased homeless population could result in failure to meet statutory duty to provide advice and assistance to anyone who is homeless.

### Service: Housing Services

### Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
Completed and evaluated	Computer System	New ICT system for recording homelessness data procured.	Claire Fry	05/09/2017	13/05/2019	Fully effective (1)
Completed and evaluated	Staff Support	Officers are trained and knowledgeable and the structure of Housing Options team to be reviewed to build resilience.  Homelessness strategy to be reviewed early 2018.	Claire Fry	22/06/2017	13/05/2019	Fully effective (1)

**Current Status: Medium (12)**

**Current Risk Severity: 4 - High**

**Current Risk Likelihood: 3 - Medium**

**Service Manager: Claire Fry**

**Review Note:** The risk assessment remains the same, levels of workload remain challenging but grant funding has been awarded by MHCLG to the Council and we are currently working up proposals to extend work with rough sleepers.

**Risk: Information Security** Inadequate data protection could lead to breaches of confidential information and ultimately enforcement action by the ICO.

**Service: Governance**



## Corporate Risk Management Report - Appendix 6

### Mitigating Action records

No Mitigating Action records found.

**Current Status: High**  
(15)

**Current Risk Severity: 5 - Very High**

**Current Risk Likelihood: 3 - Medium**

**Service Manager: Catherine Yandle**

**Review Note:** The Council has an up to date DP policy and training which is mandatory for all Members and staff.

Incidents are monitored and identified weaknesses and training needs remedied.

**Risk: Localism Act - Community Right to Buy / Challenge** Transference of services to the community could enable the Council to identify cost savings

**Service: Financial Services**

### Mitigating Action records

No Mitigating Action records found.

**Current Status: Medium**  
(12)

**Current Risk Severity: 4 - High**

**Current Risk Likelihood: 3 - Medium**

**Service Manager: Jo Nacey**

**Review Note:** This continues to be an opportunity rather than a risk and should be analysed as part of capital asset management on a case by case basis.

**Risk: Overall Funding Availability** Changes to Revenue Support Grant, Business Rates, New Homes Bonus and other funding streams in order to finance ongoing expenditure needs.

**Service: Financial Services**

### Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
On / ahead of schedule	Engaging in commercial activities		Jo Nacey	28/09/2017	10/05/2019	Satisfactory(2)
Completed and evaluated	Medium term planning		Jo Nacey	28/09/2017	10/05/2019	Fully effective (1)
On / ahead of schedule	We continue to work with managers to reduce costs and explore new income streams		Jo Nacey	07/02/2019	10/05/2019	Satisfactory(2)

**Current Status: High**  
(15)

**Current Risk Severity: 5 - Very High**

**Current Risk Likelihood: 3 - Medium**

**Service Manager: Jo Nacey**

**Review Note:** Although the funding streams from Central Government are receding, the Council continues to lobby for Fair funding through the review and also explores other ways of creating and enhancing income streams.



## Corporate Risk Management Report - Appendix 6

**Risk: Partnership with North Devon** Partnership arrangement with North Devon fails and Building Control has to be brought back in house.

**Service: Building Control**

**Mitigating Action records**

No Mitigating Action records found.

**Current Status: Medium (12)**

**Current Risk Severity: 4 - High**

**Current Risk Likelihood: 3 - Medium**

**Service Manager: None**

**Review Note:** Ensure marketing plan is implemented performance monitoring of surveyors.

**Risk: Poor Performance of New vehicle supply and maintenance contract** That the service provision is not as expected and causes disruption to front line services or additional expense

**Service: Street Scene Services**

**Mitigating Action records**

No Mitigating Action records found.

**Current Status: Medium (12)**

**Current Risk Severity: 4 - High**

**Current Risk Likelihood: 3 - Medium**

**Service Manager: Stuart Noyce**

**Review Note:** PI's to be monitored quarterly. Close monitoring of weekly activity plan including finances. SLA's with contractor and suppliers.

**Risk: Reduced Funding - Budget Cuts** We are subject to continuing budget reductions. If we concentrate on short term cost savings, it may increase long term impact of decisions

**Service: Financial Services**

**Mitigating Action records**

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
On / ahead of schedule	Business Plans	Service Business Plans are reviewed each financial year with suggestions for revised performance targets based on budget to be agreed by Cabinet Member and PDG.	Jo Nacey	28/05/2013	07/06/2019	No Score(0)
On / ahead of schedule	Identify Efficiencies	Taking proactive steps to increase income and reduce expenditure through efficiencies, vacancies that arise and delivering	Andrew Jarrett	28/05/2013	07/06/2019	No Score(0)

## Corporate Risk Management Report - Appendix 6

### Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
		services in a different way.				
On / ahead of schedule	Reserves	Cabinet have taken the decision to recommend a minimum general reserve balance of 25% of Net annual budget.	Andrew Jarrett	28/05/2013	07/06/2019	No Score(0)
On / ahead of schedule	Set Budget	Each year as part of the budget setting process, members are consulted via PDGs in time to evaluate savings proposals, ahead of the November draft budget.	Andrew Jarrett	28/05/2013	07/06/2019	No Score(0)
<b>Current Status: High (20)</b>		<b>Current Risk Severity: 5 - Very High</b>		<b>Current Risk Likelihood: 4 - High</b>		

Service Manager: Jo Nacey

### Review Note:

### Risk: Reduction in Garden Waste Customers Loss of income; reduction in recycling rate

Service: Street Scene Services

### Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
No Data available	Reminder to renew correspondence	To maintain the existing customer base	Lorraine Durrant	06/06/2019	06/06/2019	No Score (0)
No Data available	Social media campaigns & publicity	To ensure that information about the garden waste service reaches as many residents as possible	Lorraine Durrant	06/06/2019	06/06/2019	No Score (0)
<b>Current Status: Medium (12)</b>		<b>Current Risk Severity: 4 - High</b>		<b>Current Risk Likelihood: 3 - Medium</b>		

Service Manager: Stuart Noyce

### Review Note:

## Corporate Risk Management Report - Appendix 6

**Risk: Reputational damage - social media** impact of reputational damage through social media is a significant risk that warrants inclusion on the Authority's risk register.

**Service: Communications**

### Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
No Data available	Monitoring social media	Two members of the communications team monitor the main corporate social media accounts on a rota basis. Alerts are also set up so the team receives notification of comments and can respond as appropriate. This is monitored in office hours only and the team does not provide 24 hour monitoring or a call out function. The Comms Team also works with other local authorities and takes part in social media training with other local authorities as the opportunities arise budgets permitting.	Jane Lewis	05/06/2019	05/06/2019	Satisfactory (2)

**Current Status: Medium (10)**

**Current Risk Severity: 5 - Very High**

**Current Risk Likelihood: 2 - Low**

**Service Manager: Jane Lewis**

**Review Note:**

**Risk: Reputational re Council Housing Stock** Failure in handling a disaster/mistake properly

**Service: Housing Services**

### Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
Completed and evaluated	Proactive Working	Dynamic system of fire risk assessment being adopted to minimise risk of a disaster. Tenancy Home Checks enable us to identify issues in homes; and communal inspections and Neighbourhood Walkabouts enable us to identify issues in	Claire Fry	05/09/2017	13/05/2019	Fully effective (1)

Printed by: Catherine Yandle

Page 35  
SPAR.net

Print Date: 07 June 2019 16:25

## Corporate Risk Management Report - Appendix 6

### Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
		communal areas which could result in a disaster.				
Completed and evaluated	Staff Support	Trained staff who are knowledgeable and have a comprehensive suite of housing related policy and procedures in place. These include procedures in case of disaster.	Claire Fry	05/09/2017	13/05/2019	Fully effective (1)

**Current Status: Medium (10)**

**Current Risk Severity: 5 - Very High**

**Current Risk Likelihood: 2 - Low**

**Service Manager: Claire Fry**

**Review Note:** Risk assessment remains the same. We are monitoring this area of work closely due to the fact that there is a vacancy in the Estates Team. Once recruited we will give the new officer appropriate training and support. In the meantime, other members of the team are covering the workload which includes management of health safety of on our estates.

**Risk: S106 Agreement** Inability of the legacy systems to provide a full overview of the 'trigger points' for all of the s106 agreements

**Service: Planning**

### Mitigating Action records

No Mitigating Action records found.

**Current Status: Medium (10)**

**Current Risk Severity: 5 - Very High**

**Current Risk Likelihood: 2 - Low**

**Service Manager: Jenny Clifford**

**Review Note:** S106 requirements have been comprehensively databased and reconciled against financial system allowing for more accuracy and confidence in monitoring

**Risk: Software failure** loss of electoral register and election information

**Service: Elections and Electoral Registration**

### Mitigating Action records

No Mitigating Action records found.

**Current Status: Medium (12)**

**Current Risk Severity: 4 - High**

**Current Risk Likelihood: 3 - Medium**

**Service Manager: Jill May**

**Review Note:**

**Risk: SPV Disclosure requirements - 3 Rivers** Failing to maintain the balance between commercial sensitivity and the transparency and openness requirements of a wholly owned entity.

**Service: Financial Services**

## Corporate Risk Management Report - Appendix 6

### Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
On / ahead of schedule	Employed services of Ichabod	We can refer technical matters regarding group accounts etc. to our retained technical advisor. This is a cost effective way of receiving technical updates	Jo Nacey	02/01/2018	07/06/2019	No Score(0)
Current Status: Medium (12)		Current Risk Severity: 4 - High		Current Risk Likelihood: 3 - Medium		
Service Manager: Jo Nacey						
Review Note:						

**Risk: SPV Governance Arrangements - 3 Rivers** Not being able to demonstrate robust challenge and decision-making.

**Service: Governance**

### Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
On / ahead of schedule	Openness and Transparency	Regular reports to Cabinet in open session where possible.	Catherine Yandle	20/05/2019	20/05/2019	Satisfactory(2)
Current Status: Medium (10)		Current Risk Severity: 5 - Very High			Current Risk Likelihood: 2 - Low	
Service Manager: Catherine Yandle						
Review Note: Directors of 3 rivers are aware of the importance of openness. Regular briefings for all Councillors by S151 Officer.						

**Risk: SPV Loan Recoverability - 3 Rivers** 3 Rivers are unable to service and repay the loan from MDDC, this will depend on Economic factors and their success in the marketplace commercially.

**Service: Financial Services**

### Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
On / ahead of schedule	Regular monitoring	The Board of 3 Rivers deliver a half yearly report to the Cabinet which provides an update on their	Jo Nacey	30/05/2019	07/06/2019	No Score(0)

## Corporate Risk Management Report - Appendix 6

### Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
		delivery against their business plan. We charge interest to them at a commercial rate in order to maintain an "arms-length" relationship and the interest provides some mitigation to the outstanding principal.				
Current Status: High (15)		Current Risk Severity: 5 - Very High		Current Risk Likelihood: 3 - Medium		
Service Manager: Jo Nacey						
Review Note:						

Printed by: Catherine Yandle

SPAR.net

Print Date: 07 June 2019 16:25

# Risk Matrix Strategic

## Report

Filtered by Prefix: Exclude Risk Prefix: OP, EV  
For MDDC - Services  
Current settings

Risk Likelihood	5 - Very High	No Risks	No Risks	No Risks	No Risks	No Risks
	4 - High	No Risks	2 Risks	No Risks	No Risks	2 Risks
	3 - Medium	No Risks	1 Risk	8 Risks	10 Risks	3 Risks
	2 - Low	No Risks	4 Risks	12 Risks	11 Risks	7 Risks
	1 - Very Low	No Risks	No Risks	3 Risks	3 Risks	8 Risks
		1 - Very Low	2 - Low	3 - Medium	4 - High	5 - Very High
Risk Severity						

Printed by: Catherine Yandle

SPAR.net

Print Date: 07 June 2019 16:23

This page is intentionally left blank



## AUDIT COMMITTEE 25 JUNE 2019

### PROGRESS UPDATE ON THE ANNUAL GOVERNANCE STATEMENT ACTION PLAN

**Cabinet Member** Cllr Bob Deed, Leader  
**Responsible Officer** Catherine Yandle, Group Manager Performance, Governance and Data Security

**Reason for Report:** To provide the Committee with an update on progress made against the Annual Governance Statement 2017/18 Action Plan.

**RECOMMENDATION(S):** The Committee note the progress update

**Relationship to the Corporate Plan:** Having good governance arrangements and an effective internal control environment is a fundamental element of being a well-managed council.

**Financial Implications:** None arising from this report.

**Legal Implications:** None arising from this report.

**Risk Assessment:** Failure to monitor progress against the Annual Governance Statement Action Plan could result in comment from the external auditors when they next review the Annual Governance Statement.

**Equality Impact Assessment:** No equality issues identified for this report.

#### 1.0 Introduction

- 1.1 The purpose of this report is to provide Members of the Committee with an update on the progress that has been made against the actions in the Annual Governance Statement Action Plan since the Audit Committee approved it on 16 July 2018.
- 1.2 The Action Plan is attached as Appendix A and progress updates have been noted on the document.
- 1.3 There were 10 issues identified in the 2017/18 Annual Governance Statement. Some dates for completion have been amended but progress has been steady.
- 1.4 Progress against the Action Plan will be reported at each Audit Committee. There is a column for RAG status to make progress clearer.

**Contact for more Information:** Catherine Yandle Group Manager Performance, Governance and Data Security ext 4975

**Circulation of the Report:** Leadership Team and Cabinet Member

**List of Background Papers:** None

This page is intentionally left blank

## Annual Governance Statement (2017/18)

Annual Governance Statement 2017-18 Action Plan				
Issues Identified	Action to be taken	By whom and progress	When	Status
1. The Internal Audit report for Development Control identified “Improvements Required” with regard to the inability of the legacy systems to provide a full overview of the ‘trigger points’ for all of the s106 agreements.	A project to address this is ongoing through use of specialised software, although populating the system is time consuming as many of the s106 agreements are complex. The current position is being reviewed by senior management and additional temporary staff engaged to clear the backlog.	<p>The Head of Planning, Economy and Regeneration</p> <p>An updated database of S106 records has been put in place.</p> <p>Planning S106 Governance proposals were considered at Cabinet in October when it was resolved to agree them for consultation with the Parish and Town Councils. Following consultation a further report was taken to Cabinet.</p> <p>A Group Manager Working Group has been set up to do further work on this with a deadline of the end of September.</p>	<p>30 September 2019</p> <p>Cabinet 7 March 2019</p>	
2. Increase ethics awareness training in the staff induction process	Write an ethics training module in the new Learning Management System for the mandatory induction process	<p>Director of Business Transformation and Corporate Affairs</p> <p>The new “evolve” communications project is wrapping up these themes.</p>	30 September 2019	

## Annual Governance Statement (2017/18)

3. Evidence of balancing feedback from more active stakeholders with other stakeholders to ensure inclusivity	The Community Engagement Strategy and Action Plan are due to go to Community PDG	Director of Business Transformation and Corporate Affairs	20 November 2018	
4. We need processes for dealing with competing demands on the budget from the community	The Community Engagement Strategy and Action Plan are due to go to Community PDG	Director of Business Transformation and Corporate Affairs	20 November 2018	
	All Members' Budget Prioritisation Away Day	Deputy Chief Executive	7 September 2018	
5. Still more benchmarking information is needed and stronger links between financial and performance monitoring	Link between finance and performance to be reinforced in Service Business Plans for 2019/20.	Deputy Chief Executive LT approving the final plans in January	31 January 2019	
6. Service plans do not yet demonstrate consideration of 'social value'	Link between finance and performance to be reinforced in Service Business Plans for 2019/20.	Deputy Chief Executive LT approving the final plans in January	31 January 2019	
7. The current economic situation is likely to continue to see a reduction in the number of staff employed by the Authority. We have identified that this presents a potential risk to our ability to retain the skills and	Skills Audit to be completed by collecting information as part of the appraisal process and utilisation of the LMS system to record qualifications and experience.	Director of Business Transformation and Corporate Affairs  Meeting with SW Councils to scope this project was held on 31 August, project start date was agreed as January 2019. Was delayed to await start of new HR GM – 1 March 2019	March to December 2019	

## Annual Governance Statement (2017/18)

experience needed. Measures are being implemented to combat this risk.	Succession Planning Policy is required; was included in the revised HR Strategy.	This went to Cabinet on 30 August and was approved.	30 September 2018	
8. A Sickness Absence Action Plan is being developed by HR and the Health and Safety Officer	This went to Leadership Team for approval in October	Director of Business Transformation and Corporate Affairs  HR and Learning have rolled out “return-to-work interview” training for managers.  Plan is not yet fully implemented	30 November 2018	
9. GDPR legislation now needs to be followed up with compliance and enforcement work.	A programme of Information audits is planned from Autumn 2018 to ensure, and enforce, compliance with the Data Protection Act 2018	Director of Business Transformation and Corporate Affairs  The information audit work started in September and is programmed until the end of November. Work will then re-commence.  An audit has been done on this area by DAP, awaiting the report.	31 October 2018 Ongoing	
10. Of the 7 areas where Partial compliance with the Public Sector Internal Audit Standards were identified; 5 are now fully compliant and 2 have identified further actions to achieve full	Address remaining areas with “P” assessment via Quality Assurance Improvement Plan (QAIP). This will entail supporting the Council developing and maintaining an assurance map integrating this	DAP Deputy Head of Partnership  The QAIP was approved by the DAP Management Board at their meeting on 17 October	September 2018 to March 2019	

Annual Governance Statement (2017/18)

compliance	with the risk management framework. Review of the risk management framework commenced in September 2018.			
------------	--	--	--	--

Green is completed      Amber is in Progress      Red is not completed      White is not due for completion yet

## AUDIT COMMITTEE 25 JUNE 2019

### INTERNAL AUDIT ANNUAL REPORT 2018/19

**Cabinet Member**                      **Cllr A White**  
**Responsible Officer**              **Audit Manager, David Curnow**

**Reason for Report:** To update the Committee on the work performed by Internal Audit during the 2018/19 financial year as required by the Public Sector Internal Audit Standards.

**RECOMMENDATION(S):** The Committee considers the report for information and notes the audit assurance opinion on the internal control framework when reviewing and approving the Annual Governance Statement.

1. The key objective of Internal Audit is to provide assurance to Members, Leadership and the Director of Finance (as the Council's "section 151 responsible officer") on the adequacy and security of those systems on which the Council relies for its internal control, both financial and management.
2. One of the key elements of the Council's governance arrangements is the Annual Governance Statement (AGS), signed by the Chief Executive and Chair of Audit Committee. This is included in the Council's Annual Statement of Accounts. The assurance opinions derived from the work of Internal Audit are among the significant items that inform the AGS.
3. The summary report available separately describes the performance of Devon Audit Partnership against the internal audit plans for 2018/19 that were approved by the Audit Committee in March 2018. That work, and the continuing contribution of Devon Audit Partnership to both risk management and anti-fraud arrangements within the Council, leads to an opinion that the Council has an effective framework of control which provides significant assurance regarding the effective, efficient and economic achievement of its objectives. The Committee can take assurance from these findings.

**Relationship to Corporate Plan:** Effective Internal Audit plays a fundamental role in assisting the Council with its governance and assurance process.

**Financial Implications:** None

**Legal Implications:** None

**Risk Assessment:** In-effective public accountability through Annual Governance Statement may result in the Council breaching the Accounts and Audit Regulations 2015.

**Equality Impact Assessment:** No equality issues identified for this report.

**Contact for more Information:** David Curnow [dcurnow@middevon.gov.uk](mailto:dcurnow@middevon.gov.uk)  
01884 234237

**Circulation of the Report:** Leadership Team and Cabinet Member, DAP

This page is intentionally left blank



# Internal Audit

## Annual Audit Report 2018-19

### Mid Devon District Council Audit Committee

Page 49  
June 2019



Robert Hutchins  
Head of Audit Partnership



Auditing for achievement

## Introduction

The Audit Committee, under its Terms of Reference contained in the Council's Constitution, is required to consider the Chief Internal Auditor's annual report, to review and approve the Internal Audit programme, and to monitor the progress and performance of Internal Audit.

The Accounts and Audit (Amendment) (England) Regulations 2015 introduced the requirement that all Authorities need to carry out an annual review of the effectiveness of their internal audit system, and need to incorporate the results of that review into their Annual Governance Statement (AGS), published with the annual Statement of Accounts.

The Internal Audit plan for 2018/19 was presented and approved by the Audit Committee in March 2018. The following report and appendices set out the background to audit service provision; a review of work undertaken to date in 2018/19, and provides an opinion on the overall adequacy and effectiveness of the Authority's internal control environment.

The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual report providing an opinion that can be used by the organisation to inform its governance statement. This report provides that opinion.

### Expectations of the Audit Committee from this annual report

Audit Committee members are requested to consider:

- the assurance statement within this report;
- the basis of our opinion and the completion of audit work against the plan;
- the scope and ability of audit to complete the audit work;
- audit coverage and findings provided;
- the overall performance and customer satisfaction on audit delivery.

In review of the above the Audit Committee are required to consider the assurance provided alongside that of the Executive, Corporate Risk Management and external assurance including that of the External Auditor as part of the Governance Framework (see appendix 5) and satisfy themselves from this assurance for signing the Annual Governance Statement.

**Robert Hutchins**

**Head of Devon Audit Partnership**

<b>Contents</b>	<b>Page</b>
Introduction	1
Opinion Statement	2
Summary Assurance Opinions	3
Value Added	4
Audit Coverage Performance Against Plan	4
Fraud	4
<b>Appendices</b>	
1 - Summary of Audit Reports & Findings	5
2 - Audit Recommendation Performance Indicators	10
3 - Professional Standards and Customer Service	11
4 - Audit Authority	12
5 - AGS Annual Governance Assurance Framework	13
6 - Performance Indicators	14
7 - Customer Service Excellence	15
8 - Basis for Opinion	16

## Opinion Statement

**Overall, based on work performed during 2018/19 and our experience from previous years audit, the Head of Internal Audit's Opinion is of "Substantial Assurance" on the adequacy and effectiveness of the Authority's internal control framework. The exception to this is in relation to the Council's governance arrangements over it's investment exposure associated to it's property development operation where our opinion is of 'improvements required'.**

*This opinion statement will provide Members with an indication of the direction of travel for their consideration for the Annual Governance Statement see appendix 4.*

The Authority's internal audit plan for the year includes specific assurance, risk, governance and value added reviews which, with prior years audit work, provide a framework and background within which we assess the Authority's control environment. These reviews have informed the Head of Internal Audit's Opinion on the details of Internal Audit's opinion on each audit review carried out in 2018/19 to date. If significant weaknesses have been identified in specific areas, these will need to be considered by the Authority in preparing its Annual Governance Statement later in the year when preparing the Statement of Accounts for 2018/19.

In carrying out systems and other reviews, Internal Audit assesses whether key, and other, controls are operating satisfactorily within audit reviews, and an opinion on the adequacy of controls is provided to management as part of the audit report. All final audit reports include an action plan which identifies responsible officers, and target dates, to address control issues identified. Implementation of action plans rests with management, these are reviewed during subsequent audits or as part of a specific follow-up.

We have included a new Summary Assurance Opinions chart on page 3 which provides a "Themed" overview of the audit coverage. We have then RAG rated the audit areas covered to identify what our assurance is

This statement of opinion is underpinned by:

### Internal Control Framework

The control environment comprises the Council's policies, procedures and operational systems and processes in place to:

- establish and monitor the achievement of the Council's objectives;
- facilitate policy and decision making;
- ensure the economical, effective and efficient use of resources;
- ensure compliance with established policies, procedures, laws and regulations;
- safeguard the Council's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption.

During the year, core financial and administrative systems were reviewed by Internal Audit either through specific reviews (e.g. debtors, creditors, payroll & Main Accounting) or generally in the reviews undertaken in respect of directorate systems. The Council's overall internal control framework operated effectively during the year. Where internal audit work has highlighted instances of none or part compliance, none are understood to have had a material impact on the Authority's affairs.

### Risk Management

Risk Management process at strategic and operational level remains in place although it is recognised that full review is required to improve the focus of risks to key business objectives and improve mitigation control. There remains work to be done to embed this at operational level.

### Governance Arrangements

Governance arrangements have been considered in the areas of projects and procurement and Contract, and found to be effective, but with opportunities to improve consistency or alignment to business need. The Councils engagement with the Information Security Group continues to provide governance in relation to management of information.

### Performance Management

Performance is subject to monitoring at management and Committee levels through PDG and Scrutiny. This is supported by the SPAR performance monitoring system though it is recognised that this requires improvement to further embed monitoring into day to day operations.

<b>Full Assurance</b>	Risk management arrangements are properly established, effective and fully embedded, aligned to the risk appetite of the organisation. The systems and control framework mitigate exposure to risks identified & are being consistently applied in the areas reviewed.	<b>Limited Assurance</b>	Inadequate risk management arrangements and weaknesses in design, and / or inconsistent application of controls put the achievement of the organisation's objectives at risk in a number of areas reviewed.
<b>Substantial Assurance</b>	Risk management and the system of internal control are generally sound and designed to meet the organisation's objectives. However, some weaknesses in design and / or inconsistent application of controls do not mitigate all risks identified, putting the achievement of particular objectives at risk.	<b>No Assurance</b>	Risks are not mitigated and weaknesses in control, and /or consistent non-compliance with controls could result / has resulted in failure to achieve the organisation's objectives in the areas reviewed, to the extent that the resources of the Council may be at risk, and the ability to deliver the services may be adversely affected.

# Summary Assurance Opinion

Page 52 Core Assurance	Summary of key audit reviews	Service Area Overview of Audit Coverage				Opportunity	Value Added
		Finance & Resources	Corporate Affairs	Operations	Planning & Economy		
		Fixed Assets	Recruitment and Selection	Housing Health & Safety	Development Control – S106		
		VAT management of Partial Exemption	Equality Impact Assessment	Refuse and Recycling	Property Development		
		Income Cashless Systems	Ethics and Culture Business Continuity Planning	Leisure Centre - CVLC Car Park Income District Offices	Building Control Partnership		
Core Assurance	Key Financial Systems -	Main Accounting system, Financial Systems Admin		Council Tax & NNDR, Housing Benefits	Debtors, Housing Rents	Creditors, Payroll	Treasury Management, Bank rec.
	Governance & Business Processes -	Contract Management		Risk Management	Budgeting system	Human Resource Systems	Procurement
	ICT -	Cyber Security		Systems Admin		Change Management	

Note: Assurance opinions are 'RAG' rated to support the overall assurance opinion for the year. The ratings are relevant at the time of the audit review and assurance may have improved since that time. Performance against recommendations is shown in appendix 2.  
Areas shaded blue denote opportunity or value added work.

## Value Added

We know that it is important that the internal audit service seeks to "add value" whenever it can and we believe internal audit activity has added value to the organisation and its stakeholders by:

- Providing objective and relevant assurance;
- Contributing to the effectiveness and efficiency of the governance, risk management and internal control processes.

Feedback has led us to change the clearance process of audit findings with the introduction of a debrief at the close of audit. This will bring the feedback to an earlier stage and smooth the clearance process of the draft report.

A selection of audit feedback surveys received have stated:-

*"on partnerships arrangements – helpful feedback on risks to the organisation"*

*"on VAT – helped to identify area to focus on more and improve procedures"*

*"on income security – the audit helped expedite change in process"*

We trust that officers have found our engagement, support as a "trusted advisor" effective and constructive in these significantly changing times.

## Audit Coverage and performance against plan

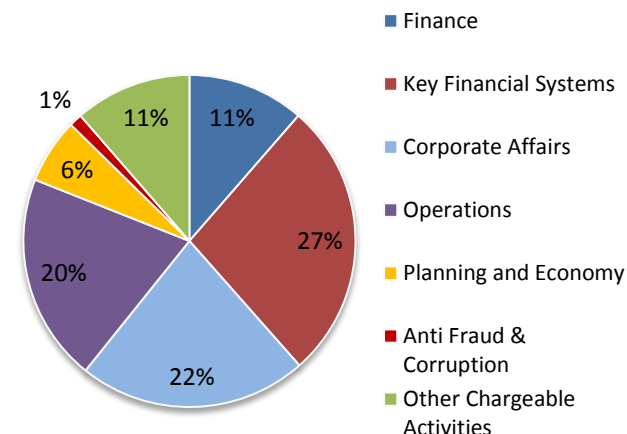
We have completed 98% of the revised plan for the year. The pie charts right shows the breakdown of audit days planned by service area / type of audit support provided. The balance of work has varied slightly during the year as can be seen from comparison with the second chart, and variations have been with full agreement of the client. Appendix 6 shows the performance indicators for audit delivery. Some audits required a richer mix of staff resource due to the complexity / sensitivity of the area under review; we have notably done this with ICT.

Appendix 1 to this report provides the final progress summary of the audits undertaken during the year, along with our assurance opinion. Where a "high" or "good" standard of audit opinion has been provided we can confirm that, overall, sound controls are in place to mitigate exposure to risks identified; where an opinion of "improvement required" has been provided then issues were identified during the audit process that required attention. We have provided summaries of the key issues reported that are being addressed by management. It should be pointed out that we are content that management are appropriately addressing these issues.

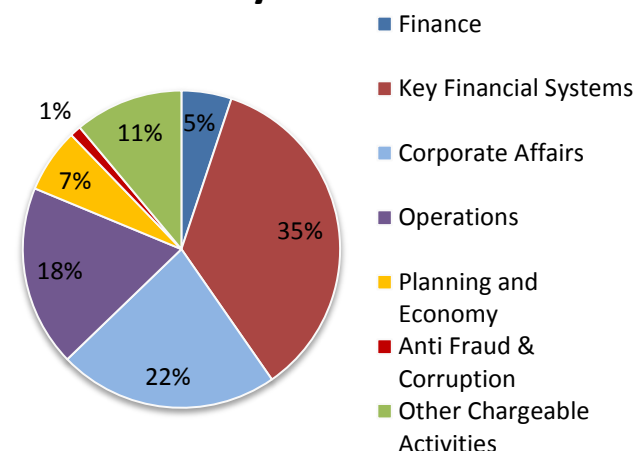
## Fraud Prevention and Detection

Overall the risk of fraud at the Council is considered low. All our internal audit assignments include an aspect of considering the potential for fraud and how the council prevents such fraud occurring. In particular, work on the key financial systems (payroll, creditors, debtors, treasury management etc) considered the suitability and robustness of the control framework to prevent, detect and address fraud. Counter-fraud arrangements are recognised by the Council and assist in the protection of public funds and accountability. The national data matching exercise (National Fraud Initiative - NFI) is supported by the Council every two years. There were no investigations that were required during the year though we are currently reviewing single persons discount for council tax.

### Audit Plan 2018-19



### Audit Delivery 2018-19





## Appendix 1 – Summary of audit reports and findings for 2018/19

### Risk Assessment Key

Spar – Local Authority Risk Register score Impact x Likelihood = Total & Level  
ANA - Audit Needs Assessment risk level as agreed with Client Senior Management  
Client Request – additional audit at request of Client Senior Management; no risk assessment information available

### Direction of Travel Assurance Key

Green – action plan agreed with client for delivery over an appropriate timescale;  
Amber – agreement of action plan delayed or we are aware progress is hindered;  
Red – action plan not agreed or we are aware progress on key risks is not being made.  
\* report recently issued, assurance progress is of managers feedback at debrief meeting.




Risk Area / Audit Entity	Audit Report					
	Assurance opinion	Executive Summary / Residual Risk	Summary of Recommendations High / Med / Low			Direction of Travel Assurance
Core Audit – Key Financial Systems						
<div>Payroll</div> <div>Risk / ANA: ANA – high Spar – 3x1=3 Low / green</div> <div>Page 54</div>	<div>Good Standard</div> <div>Status: Final</div>	<div>The overall control environment for Payroll is assessed as good standard. The Payroll Manager has been effective in keeping the payroll operating during the absence of the Payroll Officer, however, there have been functionalities that have had to be reduced or delayed i.e. checking of calculations, pension paperwork and fewer control checks carried out. We have not, however, detected any material error.</div> <div>Improvements in control have been identified previously and still require attention in areas of:</div> <div><ul style="list-style-type: none"><li>reconciliation of staff structure;</li><li>payroll finance reconciliations not up to date;</li><li>authorised signatories.</li></ul></div>	3	11	1	
<div>Housing Rents</div> <div>Risk / ANA: ANA – High Spar 3x2=6 Low/amber</div>	<div>Good Standard</div> <div>Status: Final</div>	<div>There is good control over budget setting and implementation of annual rents changes where government guidance on formula rent is complied with. There is a robust process in place for direct debit collection and associated maintenance of accounts.</div> <div>There has been a focus on collection of current tenant arrears for 2018/19. An analysis of arrears over the last year identified that the number of current tenant arrears accounts has increased by 14% however, the monetary increase has risen marginally (2.1%) which indicates that current tenant arrears is being managed well. Former tenant arrears have increased by just over 50% both in monetary value and number of accounts. The re-structure in Housing Services has allowed for a designated team to focus on income collection. The team is in the process of reviewing and implementing the arrears procedures.</div> <div>The process of informing System Administrators of leavers and movers requires review to ensure that risk of unauthorised access is addressed.</div>	4	6	0	



Risk Area / Audit Entity	Audit Report					
	Assurance opinion	Executive Summary / Residual Risk	Summary of Recommendations High / Med / Low			Direction of Travel Assurance
Treasury Management Risk / ANA: ANA –Medium Spar 5x1=5 Low	High Standard  Status: Final	The Treasury Management (TM) function has been found to be well managed and monitored. Whilst it is evident that the security of the Council’s financial assets is paramount, the rate of return is also monitored to obtain the best value for the Council. Investments were sample tested and found to be carried out in line with the Treasury Management Strategy and policy.	0	0	0	
Systems Audits – Risk Based						
ICT – Service Transition Risk / ANA: ANA - Medium Spar – not recorded	Improvements required  Status: draft	<u>Service Transition</u> We found that there is a high-level, well-established framework in place comprising a Change Advisory Board to assess, approve, prioritise and schedule requests for change. The integration of SupportWorks (task management system) within the process to categorise and prioritise requests for change, is considered efficient and effective, and formed a record of the decision making process for each change.  However, this framework is not satisfactorily underpinned by documented processes to effectively implement and manage the success of changes as identified from ineffective testing in our review of the change to the cashless income system. This is a recognized issue by management who were working on new procedures during our review.  <u>Access Management</u> Controls over granting access to the Council’s computer network are generally sound, requiring sign-off from line managers, with an audit trail maintained in SupportWorks, However, communication processes, between service managers and human resources through to ICT Services, are not sufficiently robust in ensuring the timely deactivation of accounts following leavers and movers between services. Joint management of this is required to improve access security control. This would be further improved with the introduction of agreed standards for systems administrators governing user accounts.	4	8	0	
Culture and Ethics Risk / ANA: ANA - Medium Spar – not recorded	Good Standard  Status: Final	Since our previous review of the area of 'Culture and Ethics', many of the recommendations have been implemented and there have been a number of improvements made by the Council. MDDC has made good progress with staff in relation to 'how' the authority should do things, with the introduction of the Staff Charter, the Operational Framework and the skills audit, which will further embed the expected culture within the Council. It is felt that there is further opportunity to improve the outward message to the public by publicising and demonstrating the Council's values and how these values will link with the delivery of its priorities.	0	2	2	

Risk Area / Audit Entity	Audit Report					
	Assurance opinion	Executive Summary / Residual Risk	Summary of Recommendations High / Med / Low			Direction of Travel Assurance
<div><div><div>Governance arrangements over the Property Development Organisation</div><div>Risk / ANA: ANA –Medium</div><div>Spar 5x4=20 High/ red</div></div><div>Page 56</div></div>	<div>Improvements required</div> <div>Status: Final</div>	<div>The Authority has taken independent legal advice and support in its decision-making process to for the property development organisation. From this a governance framework has been established in the form of a shareholder agreement together with the articles and memorandum of association for the company. The Authority has judged it important to progress operation within the company to achieve its objectives and meet this with developing arrangements to support operations when required. Recognising that the overarching framework is in place there are, however, some significant concerns where risks have not been formally recognised and governance controls not yet established in line with the framework. Key risks exist around:<ul style="list-style-type: none"><li>• conflicts of interest;</li><li>• investment security;</li><li>• disclosure requirements.</li></ul>It is very clear from discussions with Senior Management that there is clear intent to ensure robust controls are in place to mitigate and protect the Council, Members and Staff. Full response to recommendations has been made and a follow-up audit planned for 2019-20.</div>	11	8	0	<div>↑G</div>
<div><div><div>Risk Management Framework</div><div>Risk / ANA: ANA –High</div><div>Spar – not recorded</div></div></div>	<div>Improvements Required</div> <div>Status: Final</div>	<div>The Authority's risk management framework is clearly defined, monitored and approved according to good practice. The Group Manager responsible for championing risk management is clear in their role and has developed both policy and process supported by clear risk management reports over recent years. This framework is supported by regular reporting of risks within the risk management system Spar.Net on a regular basis to Leadership, Performance and Development Groups, Scrutiny and Audit Committee in line with requirements of the strategy and guidance frameworks.  It is clear, however, that the risks recorded in the Spar.Net system, the Risks Register, in many cases do not reflect a number of key risks to the Council, strategic or operational which are not included within the register (corporate goals, cyber security, strategic projects). There is limited mitigating control recorded against most risks to demonstrate how these risks are managed and monitored. The effectiveness of the risk management framework relies on the quality of the information in the risk register particularly in demonstrating accountability. We do consider that leadership and management do consider and manage risk on a day to day basis, it is the lack of evidence to support this through the risk register that is of concern.</div>	6	7	0	<div>↗A</div>



Risk Area / Audit Entity	Audit Report					
	Assurance opinion	Executive Summary / Residual Risk	Summary of Recommendations High / Med / Low			Direction of Travel Assurance
<b>Business Continuity Planning</b>  Risk / ANA: ANA –Medium  Spar 4x2=8 Low/ amber	Good Standard  Status: Final	MDDC has both an Emergency Plan and all service areas have their own up to date Business Continuity Plans (BPC) which satisfies the legal requirement of the Civil Contingencies Act 2004. A full-scale test of the BCP's covering Phoenix House was held in February 2019 to run scenarios in a mock environment, without giving staff any warning. Following the exercise an action plan was created by the Group Manager for Governance, Performance and Data Security to address some of the issues that had been noted.  The area of communication to staff and the public was highlighted as an issue, and as a result a BCP Project Board has now been formed with the responsibility for communication. This will ensure a more efficient and consistent approach should the BCP be invoked in the future. All of these measures give a good level of assurance that management support business continuity and promote its purpose.	0	1	2	
<b>Development Control – S106 – follow-up review</b>  Risk / ANA: ANA – High  Spar 5x2=10 med /amber	<b>Improvements Required</b>  Status: Final	The recording of developers agreements has been completed since the last audit review, however, there are known control weaknesses within the process, the main weakness identified is the inability of the legacy systems to provide a full overview of the ‘trigger points’ for all agreements, and therefore the lack of prompt reliable management information for profiling and managing contributions due and received from developers. The planned migration to a dedicated database has been deferred.  Our follow-up review has highlighted the need strategic decisions to be made about the direction and method of management of these contributions – a development project has been commenced to address this.	2	2	0	
<b>Housing Health and Safety</b>  Risk / ANA: ANA – High  Spar 5x1=5 low / green	<b>Improvements Required</b>  Status: Draft	Our review considers the management and control arrangements for health and safety of housing stock in three particular areas noted in the risk register including legionella, asbestos and fire in communal property. Monitoring and inspection of these since our last review has been brought in-house where Public Health now undertake assessments. There has been a notable reduction in the risk base for legionella since the last review through an improvement scheme.  Our review has identified that assessments of property are being completed and we understand that where any remedial action is required this is reported. However, we have found that some of the management information, reporting and performance monitoring between Housing's Building Services and Public Health is not, in all cases, complete or effective. This potentially increases the risk of non-detection of concern or delay in managing remedial action particularly in relation to legionella and fire management controls. Management recognise the issues and have agreed a full remedial action plan.	3	13	3	

Risk Area / Audit Entity	Audit Report					
	Assurance opinion	Executive Summary / Residual Risk	Summary of Recommendations High / Med / Low			Direction of Travel Assurance
<b>Information Governance</b> Risk / ANA: ANA – High Spar 5x3=15 High/Red	Completed	Findings of the audit are currently being reviewed and will be agreed with management.				n/a
<b>Homelessness</b> Risk / ANA: ANA – High Spar	Deferred	Work carried forwards and to be scheduled in the Summer 2019				

## Appendix 2 – Recommendation Performance Indicators

Page 59

Incomplete Audits	Year	Recommendations												Direction of Travel R,A,G
		High			Medium			Low			Total			
		C	N	O	C	N	O	C	N	O	C	N	O	
Creditors	2017	1			1	1		1			3	1	0	
Creditors	2018				1	3		1	3		2	6	0	
Housing Benefits	2018						2	1			1	0	2	
Housing Rents	2018	1	3			7					1	10	0	
Income & Cash Collection	2017				1	2		2			3	2	0	
Income & Cash Collection	2018		2			6			2		0	10	0	
Main Accounting System	2018		1		3	1			1		3	3	0	
Payroll	2017	3			6	1					9	1	0	
Payroll	2018		1	1	8			1			9	1	1	
Ctax and NNDR	2018	1			1	1	1	2		1	4	1	2	
VAT - Partial Exemption	2018		2			2		1	1		1	5	0	
Appraisals & Training	2015	1			13	1		2			16	1	0	
Gate Services - Alarm Call	2017	2	1	1	3						5	1	1	
Insurance CVSC	2018				5		1				5	0	1	
Development Management S106	2017			2			3				0	0	5	
Equality Impact Assessment	2018		1		3					1	3	1	1	
Grounds Maintenance	2018				2		1	1	1		3	1	1	
ICT Inventory	2017	2			3		1				5	0	1	
Insurance	2017	1			3					1	4	0	1	
Legal Services	2015				2		2				2	0	2	
Procurement	2018			1	1		5				1	0	6	
Partnerships - Building Control	2018	1	1		3	3	1				4	4	1	
Refuse and recycling	2018		1		3						3	1	0	
Safeguarding	2017	1			3		1				4	0	1	
Sickness & Other Time Off	2016				6	1	1				6	1	1	
Standby	2016				2		1				2	0	1	
Vehicles & Fuel	2015	5			6	1					11	1	0	
		19	13	5	79	30	20	12	8	3	110	51	28	

### Comments

System accountant is reviewing the invoice scanning project although this may now not prove cost effective.

These outstanding recommendations relate to ICT functions.

These outstanding recommendations have reduced significance with the reduction in cash handling. BCP's for all services are being reviewed.

IR35 Training

Review process has been added to the VAT calculation, further elements will be built into the wider VAT monitoring process in April 2019

Setting of performance indicators - being completed at time of report

We are awaiting outcome of the South Somerset and Taunton Council merge and the merging and relocation of the Taunton Deane call centre before progressing these actions.

Progress being monitored by LT. S106 Governance arrangements to be approved by Cabinet. Reconsidering systems design.

Incorporated some actions into Customer Engagement Strategy. Target extended to August 2019.

Create a policy for returning equipment

Date extended, digital archiving system required

Corporate Procurement Strategy outstanding.

A formal agreement should be in place with Exeter City Council for obtaining best prices for specified recyclables by 11/09/19.

Risk register - front line services

Policy update deferred to June 19.

Will be taken into account during a review of the whole Standby service, due by the end of 2018.

Draft policy had now been written and is with GM working group for sign

CORE
SYSTEM

C = Completed

58%

N= Not yet due

27%

O= Overdue

15%

Not progressing

Progressing some

overdue

On Target

\* report just issued

## Appendix 3 - Professional Standards and Customer Service

### Conformance with Public Sector Internal Audit Standards (PSIAS)

**Conformance** - Devon Audit Partnership conforms to the requirements of the PSIAS for its internal audit activity. The purpose, authority and responsibility of the internal audit activity is defined in our internal audit charter, consistent with the *Definition of Internal Auditing*, the *Code of Ethics* and the *Standards*. Our internal audit charter was approved by senior management and the Audit Committee in March 2017. This is supported through DAP self-assessment of conformance with Public Sector Internal Audit Standards & Local Government Application note.

**Quality Assessment** – through external assessment December 2016 “DAP is considered to be operating in conformance with the standards”. External Assessment provides independent assurance against the Institute of Internal Auditors (IIA) Quality Assessment & Public Sector Internal Audit Standards (PSIAS). The Head of Devon Audit Partnership also maintains a quality assessment process which includes review by audit managers of all audit work. The quality assessment process and improvement is supported by a development programme.

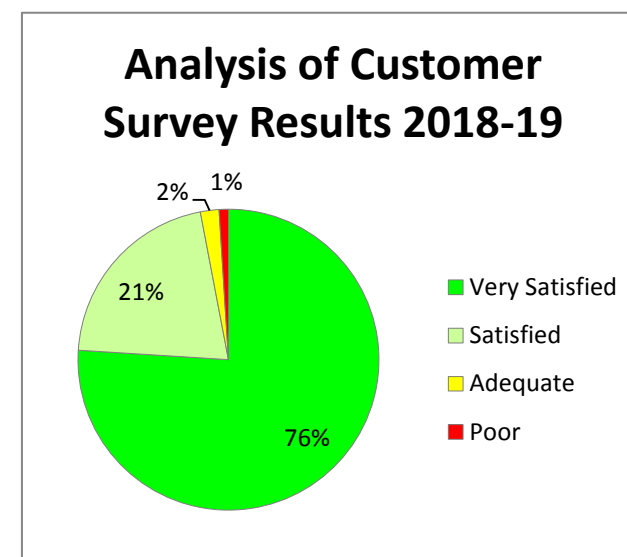
**Improvement Programme** – DAP maintains a rolling development plan of improvements to the service and customers. All recommendations of the external assessment of PSIAS and quality assurance were included in this development plan and have been completed. This will be further embedded with revision of our internal quality process through peer review. Our development plan is regularly updated and a status report was which is monitored by the Management Board in February 2019 and reported to the Partnership Committee.

### Performance Indicators

Overall, performance against the indicators has been very good with improvements made on the previous year (see Appendix 6). We are aware that some of our draft and final reports were not issued to the customer within the agreed timeframes (15 working days for draft report and 10 working days for final report). We continue to review where performance in this area can be improved.

### Customer Service Excellence

In June 2018, DAP was successful in re-accreditation by G4S Assessment Services of the CSE. We continue to issue client survey forms with our final reports and the results of the surveys returned are, although low in number, very good and again are very positive. The overall result is very pleasing, with near 97% being “satisfied” or better across our services, see appendix 7. It is very pleasing to report that our clients continue to rate the overall usefulness of the audit and the helpfulness of our auditors highly.



## Appendix 4 - Audit Authority

Page 61



## Appendix 5 - Annual Governance Framework Assurance

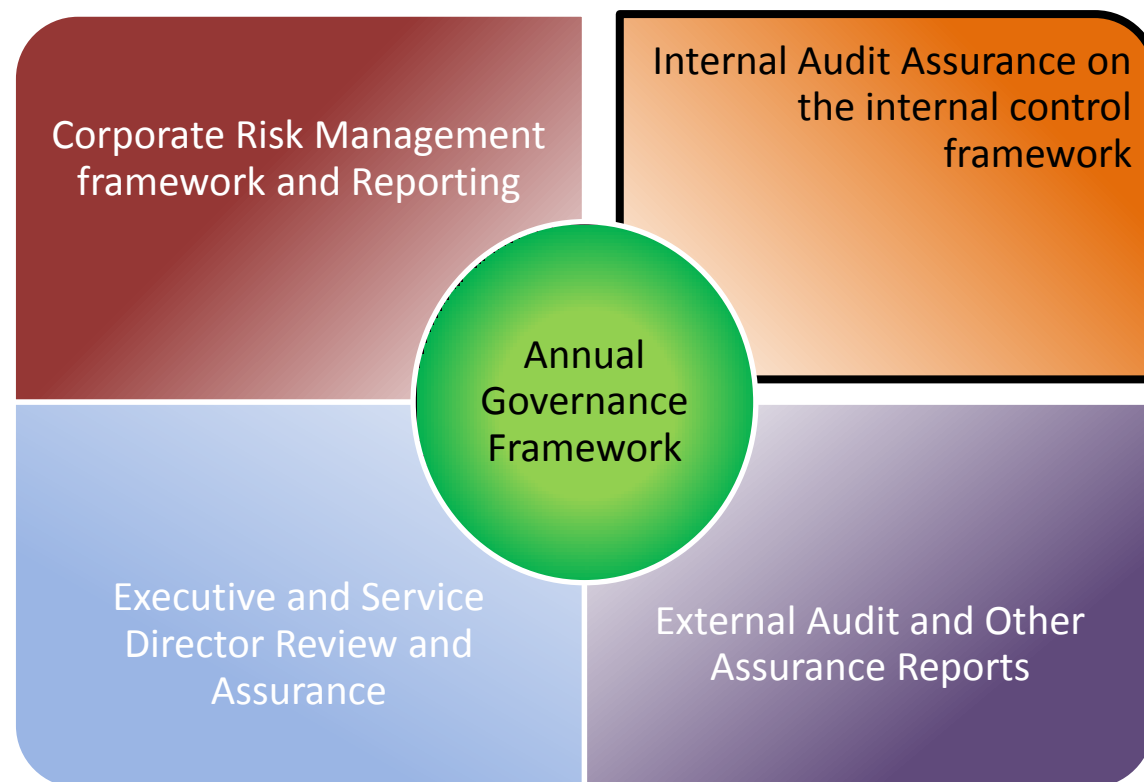
***The conclusions of this report provide the internal audit assurance on the internal control framework necessary for the Committee to consider when reviewing the Annual Governance Statement.***

The Annual Governance Statement provides assurance that

- the Authority's policies have been complied with in practice;
- high quality services are delivered efficiently and effectively;
- ethical standards are met;
- laws and regulations are complied with;
- processes are adhered to;
- performance statements are accurate.

- Page 62
- The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should:-
  - be prepared by senior management and signed by the Chief Executive and Chair of the Audit Committee;
  - highlight significant events or developments in the year;
  - acknowledge the responsibility on management to ensure good governance;
  - indicate the level of assurance that systems and processes can provide;
  - provide a narrative on the process that has been followed to ensure that the governance arrangements remain effective. This will include comment upon;
    - The Authority;
    - Audit Committee;
    - Risk Management;
    - Internal Audit;
    - Other reviews / assurance.

Provide confirmation that the Authority complies with CIPFA / SOLACE Framework *Delivering Good Governance in Local Government*. If not, a statement is required stating how other arrangements provide the same level of assurance



The AGS needs to be presented to, and approved by, the Audit Committee, and then signed by the Chair.

The Committee should satisfy themselves, from the assurances provided by the Corporate Risk Management Group, Executive and Internal Audit that the statement meets statutory requirements and that the management team endorse the content.

## Appendix 6 – Performance Indicators

There are no national Performance Indicators in existence for Internal Audit, however, the Partnership does monitor the following Local Performance Indicators LPI's:

<b>Local Performance Indicator (LPI)</b>		<b>2017/18</b>	<b>2018/19</b>
	<b>Full Year Target</b>	<b>12mth Month Actual</b>	<b>12mth Month Actual</b>
Percentage of Audit plan Commenced	90%	100%	98%
Percentage of Audit plan Completed	90%	100%	98% *
Actual Audit Days as percentage of planned	90%	100%	93%
Percentage of fundamental / material systems reviewed annually	100%	100%	100%
Percentage of chargeable time	65%	68%	66%
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	90%	98%	97%
Draft Reports produced within target number of days (currently 15 days)	90%	90%	83%
Final reports produced within target number of days (currently 10 days)	90%	97%	91%
Average level of sickness absence (DAP as a whole)	2%	4% *	2.2% *
Percentage of staff turnover (DAP as a whole)	5%	11% **	4%
Out-turn within budget	Yes	Yes	Yes

\* Staff Maternity in the Mid Devon off if 7mths in 2018 and within 2 other offices

\*\* Sickness relates to DAP overall

\*\*\* Staff turnover relates to 1 starters and 2 leavers

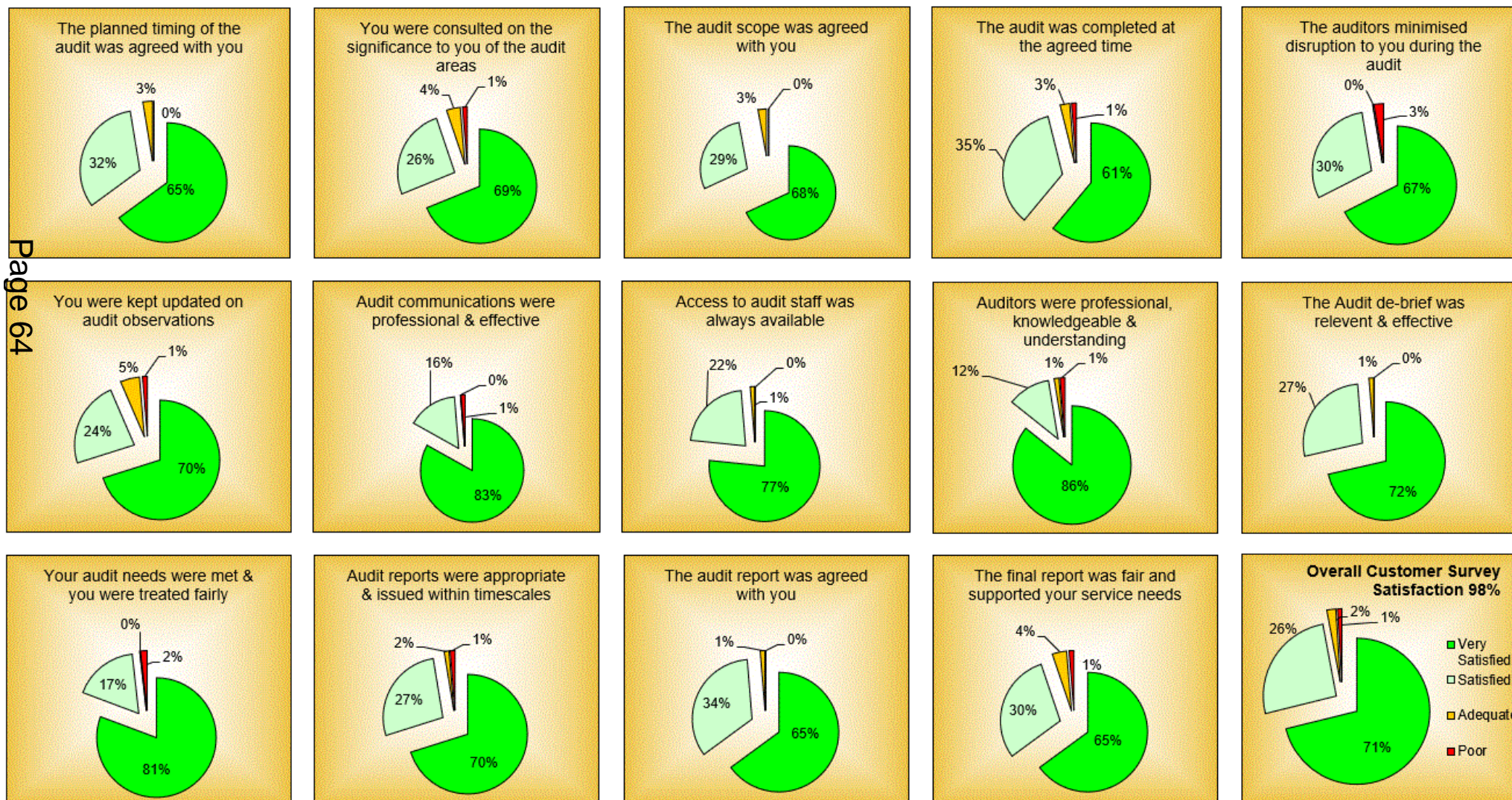
Overall, performance against the indicators has been met.



## Appendix 7 - Customer Service Excellence

### Customer Survey Results April 2018 - March 2019

The charts below show a summary of 77 responses received.





## Appendix 8 - Basis for Opinion

The Chief Internal Auditor is required to provide the Council with an opinion on the adequacy and effectiveness of its accounting records and its system of internal control in the Council. In giving our opinion, it should be noted that this assurance can never be absolute. The most that the internal audit service can do is to provide reasonable assurance, formed from risk-based reviews and sample testing, of the framework of governance, risk management and control.

This report compares the work carried out with the work that was planned through risk assessment; presents a summary of the audit work undertaken; includes an opinion on the adequacy and effectiveness of the Authority's internal control environment; and summarises the performance of the Internal Audit function against its performance measures and other criteria. The report outlines the level of assurance that we are able to provide, based on the internal audit work completed during the year. It gives:

- a statement on the effectiveness of the system of internal control in meeting the Council's objectives;
- a comparison of internal audit activity during the year with that planned;
- a summary of the results of audit activity and;
- a summary of significant fraud and irregularity investigations carried out during the year and anti-fraud arrangements.

The extent to which our work has been affected by changes to audit plans has not been notable this year and we have been able to accommodate the changes required within planned resources and completed the work.

In previous years, other service priorities have impacted audit delivery in only a small way and this year is no different. This has not affected the level of assurance provided.

The overall audit assurance will have to be considered in light of this position.

In assessing the level of assurance to be given the following have been taken into account:

all audits completed during 2017/18, including those audits carried forward from 2016/17;

any follow up action taken in respect of audits from previous periods;

any significant recommendations not accepted by management and the consequent risks;

the quality of internal audit's performance;

the proportion of the Council's audit need that has been covered to date;

the extent to which resource constraints may limit this ability to meet the full audit needs of the Council;

any limitations that may have been placed on the scope of internal audit.

This page is intentionally blank.

Devon Audit Partnership	Confidentiality and Disclosure Clause
<p>The Devon Audit Partnership has been formed under a joint committee arrangement. We aim to be recognised as a high quality internal audit service in the public sector. We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.</p> <p>The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at <a href="mailto:robert.hutchins@devonaudit.gov.uk">robert.hutchins@devonaudit.gov.uk</a>.</p>	<p>This report is protectively marked in accordance with the National Protective Marking Scheme. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.</p> <p>This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.</p>