

Public Document Pack

Mid Devon District Council

Audit Committee

Tuesday, 10 December 2019 at 5.30 pm
Tiverton Town Hall, Council Chamber

Next ordinary meeting
Tuesday, 28 January 2020 at 5.30 pm

Those attending are advised that this meeting will be recorded

Membership

Cllr R Evans (Chairman)
Cllr Mrs C Collis
Cllr B A Moore
Cllr D F Pugsley
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. **Apologies**
To receive any apologies for absence.
2. **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.
3. **Public Question Time**
To receive any questions relating to items on the Agenda from members of the public and replies thereto.
4. **Chairman's Announcements**
To receive any announcements that the Chairman may wish to make.
5. **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 8 October 2019.
6. **Performance and Risk Report (Pages 11 - 46)**
To receive 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 2019-20 as well as providing an update on the key business risks.

7. **Progress update on the Annual Governance Statement Action Plan** *(Pages 47 - 52)*

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 2018/19 Action Plan.

8. **Internal Audit Progress Report** *(Pages 53 - 64)*

To receive a report from the Deputy Head of the Devon Audit Partnership monitoring the progress and performance on Internal Audit.

9. **External Audit Progress Report** *(Pages 65 - 72)*

To receive a report from Grant Thornton providing an update on progress in delivering their responsibilities as the council's external auditors.

10. **An update in relation to the additional fees proposed by the external auditors**

As requested at the last meeting, a verbal update to be provided in relation to the additional fees proposed by the external auditors.

11. **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:

- Performance & Risk
- Progress update on the Annual Governance Statement Action Plan
- Internal Audit progress report
- Presentation by the Fraud Manager (tbc)
- External Audit Progress Report
- External auditors audit plan for 2019/2020

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

Stephen Walford

Chief Executive

Monday, 2 December 2019

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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.

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Tel: 01884 234310
E-Mail: slees@middevon.gov.uk

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Agenda Item 5.

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **AUDIT COMMITTEE** held on 8 October 2019 at 5.30 pm

**Present
Councillors**

R Evans (Chairman)
Mrs C Collis, B A Moore, D F Pugsley,
A Wilce, J Wright and A Wyer

**Also Present
Councillors**

R M Deed and N V Davey

**Also Present
Officers**

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

**Also in
Attendance**

Andrew Davies (Grant Thornton)

33. APOLOGIES

No apologies for absence had been received.

34. DECLARATION OF INTERESTS UNDER THE CODE OF CONDUCT

No interests were declared under this item.

35. PUBLIC QUESTION TIME

There were no members of the public present.

36. CHAIRMAN'S ANNOUNCEMENTS (00:03:18)

The Chairman had the following announcements to make:

1. Cllrs A Moore, A Wyer and the Chairman had attended the SWAP and DAP training day at Buckfast Abbey on 1st October. This had been a very useful training session and the Chairman requested that the training slides from the day be circulated to the whole committee.
2. He had attended the Community Policy Development Group meeting that afternoon on behalf of the Audit Committee, to provide more information in relation to their recommendation that the Community PDG consider the encouragement of a customer engagement 'champion' in relevant service areas. Having considered the Audit Committee's recommendation, the Community PDG had recommended that the Leader, Audit Committee

Chairman and Cabinet Member for Community Well Being take up the issue and discuss together how this could be taken forward. This was highlighted as a constructive dialogue between two non-executive committees of the Council which was helpful and inclusive.

37. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 27 August 2019 were confirmed as a true and accurate record and **SIGNED** by the Chairman.

38. PERFORMANCE & RISK REPORT (00:04:02)

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 2019-20 as well as providing an update on the key business risks.

The contents of the report were outlined with reference to the following:

- This was the second report of the current financial year showing results up to the end of August 2019.
- Measures in relation to FOI's granted in full and decision notices had now been added into the report as requested at the last meeting.
- It was noted that the figures in relation to the number of empty shops in Cullompton were particularly disappointing. The committee were reassured that this situation was closely monitored by the Economy PDG and the team supporting it. It was reported that the next count would be conducted very shortly. The concerns of the committee were requested to be referred back and further information sought as to what the Growth and Economic Delivery team plans were with regard to this issue.
- The performance indicator (PI) in relation to 'Minor applications overturned at appeal (over the last 2 years)' was considered to be meaningless. It was requested that there be an additional PI to read 'Minor applications which go to appeal and are subsequently overturned'. It was felt this would be a more meaningful measure.
- It was confirmed that a proposal from Exeter University for carbon footprint work had been received and was being considered by the Group Manager for Corporate Property and Commercial Assets.
- It was requested that information provided in relation to 'mitigating actions' be as full as possible, wherever possible.

Discussion took place regarding the risks in relation to 3 Rivers Development Ltd:

- Clarity was sought with regard to the fact that within the Performance and Risk report, the risk severity had been allocated the highest score of 5 and a likelihood score of 4. However the external auditors report had not highlighted 3 Rivers as a significant risk although it had proposed a recommendation for some improvement. The thresholds in relation to the scoring system were explained. The question was asked as to what the Council was doing to reconcile the differing opinions in relation to the risks. The committee were informed that there was now a quarterly officer programme board which the

Group Manager for Financial Services and the Chief Executive attended. There was also regular monitoring and a constant eye was being kept on activity in relation to this subsidiary company. Judgements were made on a weekly basis in relation to relevant risk factors. There were agreements for all loans and the first repayment was due in December 2019.

- In terms of the 3 Rivers 'assets' this was described within the balance sheet as being 'work in progress' as they were developments for onward sale.
- Loans were seen as being 'secure' since the Council ultimately owned the land and the development (albeit it may still be under construction).
- It was confirmed that capital works and overheads were added into the cost of a projects as well as being factored into any calculation of profit at the end of the project.

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

39. PROGRESS UPDATE ON THE ANNUAL GOVERNANCE STATEMENT ACTION PLAN (00:34:27)

The Committee had before it, and **NOTED**, a report * from the Group Manager for Performance, Governance and Data Security providing it with an update on progress made against the Annual Governance Statement 2018/19 Action Plan.

The officer explained that 8 issues had been identified as needing action in the AGS action plan and an update was provided in relation to each:

- No. 1 – in relation to systems needing to provide a full overview of the trigger points for all s106 agreements – progress had been steady and regular meetings held. It had been decided that the in house IT team would develop the necessary software. The committee were informed that the Chairman of Scrutiny wanted to take a look at s106 but would probably wait to do this until the software had been implemented.
- No. 2 – it was confirmed that Leadership Team had received the Ethics briefing and were considering it for approval. This would be published imminently.
- No. 3 – the Members Away Day had now taken place.
- No.4 and 5, had now been completed.
- No.6 – it was explained that the Standards Working Group had reviewed the report in relation to 'Standards in Public Life' and this would be discussed at the Standards Committee the following day.
- No. 7 – the Single Equalities Policy and Equality Objectives had been discussed by the Community Policy Development that afternoon.
- No. 8 – on track to be completed according to the identified timescales.

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

40. INTERNAL AUDIT PROGRESS REPORT (00:40:17)

The Committee had before it, and **NOTED**, a report * from the Head of the Audit Partnership reviewing the progress and performance of Internal Audit.

It was highlighted that overall, based on work performed during 2019/20 the Head of Internal Audit's Opinion continued to be one of 'Substantial Assurance' on the adequacy and effectiveness of the Authority's internal control framework.

The following was also highlighted within the report:

- A skills assessment survey of the Audit Committee had recently been undertaken.
- There was a piece of work being undertaken in conjunction with Grant Thornton regarding the Housing Benefit subsidy claim.
- 3 specialist staff had been brought on board to help with outstanding audit work and they would be particularly looking at the specialist areas of, for example, IT.
- It was confirmed that no issues in relation to fraud or any other irregularities had been identified.

Discussion took place regarding the issue of potential fraud – the Chairman had asked the Deputy Chief Executive (S151) and Group Manager for Financial Services what arrangements were in place this year for fraud detection and prevention. Once he had heard back he would update the committee. In the previous financial year an amount of money had been spent to bring in some external expertise to ensure this area was reviewed in depth. It had been concluded that this had been money well spent. Staff were encouraged to be very aware of the potential for fraud, however, fraudsters were very clever and the external expertise had and would prove very helpful to the Council. It was **AGREED** that the committee receive a presentation from the Counter Fraud Manager providing further information and assurances in due course.

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

41. EFFECTIVENESS OF THE AUDIT COMMITTEE - SELF ASSESSMENT (01:01:28)

The Committee had before it a report * from the Audit Manager considering the Chartered Institute of Public Finance and Accountancy (CIPFA) self-assessment checklist for Audit Committees.

The Audit Manager explained that the survey had been circulated to all committee Members and its substitutes. Of the 12 surveys sent out, 8 had been received back. In addition to this he had completed the CIPFA Self-Assessment checklist on behalf of the committee with only the following areas being identified as 'partially' completed:

- The skills survey – this was almost complete and a discussion of the committee's training needs would be held later in the item.
- The Chairman's annual report could include a section on how the committee added value to the organisation in addition to accounting for its performance and explaining its work.

The Audit Manager provided the Committee with a presentation showing statistical analysis in relation to the answers given in the survey. This had identified some training needs in relation to:

- Governance and Internal Audit
- Risk Management
- Financial; Management & Accounting
- Counter Fraud

It was suggested that since there would be a light agenda for the scheduled meeting on 28 January 2020 that a training session be held following this meeting, to address each of the areas above and which would include a presentation from the Counter Fraud Manager. This was **AGREED**.

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

42. EXTERNAL AUDIT PROGESS REPORT AND SECTOR UPDATE (01:18:29)

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

The following was highlighted within the report:

- Housing Benefit Certification work was on-going and was being aided by the Internal Audit team.
- The 2018/19 audit was now fully complete with the Annual Audit Letter being the last 'piece of the puzzle'.
- Planning in relation to the 2019/20 audit would commence before Christmas. The audit plan would be brought to the committee at its meeting in January.
- The Code of Audit Practice now needed to be reviewed and the National Audit Office were consulting on potential changes to the Code in two stages. Stage one involved engagement with key stakeholders and public consultation on the issues that were considered to be relevant to the development of the Code. Stage two of the consultation involved consulting on the draft text of the new Code. The most significant changes were in relation to the Value for Money arrangements. An update would be provided once more was known.

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

43. ANNUAL AUDIT LETTER (01:22:28)

The Committee had before it and **NOTED**, a report * from Grant Thornton summarising the key findings arising from the work that they had carried out at the Council and its subsidiary for the year ended 31 March 2019. It was explained that this was the public facing document and confirmed their opinions in relation to the financial statements and value for money.

Consideration was given to the following:

- The external auditor's conclusions in relation to 3 Rivers Development Ltd being apparently out of kilter with the risks identified by the Council itself. The officer from Grant Thornton explained that there was a willingness for the Council to progress with the company but that governance arrangements need to be as open and transparent as possible. It was confirmed by the Group Manager for Financial Services that the VFM conclusion related to openness

and transparency rather than the viability of the company. The Group Manager also confirmed that regular updates were being provided to Members and that a 3 Rivers Shareholders Group now met on a regular basis to discuss the performance of the company, the Group Manager attends these meetings.

- The external auditors had identified a number of additional fees that they were intending to propose as a result of additional costs to them. These included £1.5k in relation to assessing the impact of the McCloud ruling, £1.5k in relational to the Financial Reporting Council highlighting a need to improve the quality of work in respect of IAS 19 and £1.5k in relation to the need to improve the quality of work on Property, Plant and Equipment (PPE) valuations. The committee expressed concern regarding these additional fees when they had already been told the level of fees earlier in the year. It was also stated that the fee in relation to PPE was not relevant as this work had not been carried out during the 2018/19 audit. It was also felt that, as customers, the Council should have been informed about the additional fees at a much earlier point. The Chairman suggested that officers talked to Grant Thornton about these extra fees outside of the meeting with a view to coming to some agreement and that they report back to this committee at the next meeting. This was **AGREED**.

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

44. IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (01:44:14)

The following was requested to be on the agenda for the next (or future) meeting in addition to the items already listed in the work programme:

- An update in relation to the additional fees proposed by the external auditors.
- Where the Tenants Together group (TT) had conducted a review, that their report come to the Audit Committee as stated in the TT terms of reference. It was also requested that the latest TT report be emailed to the Committee so that they could determine whether their sight of it held some value.

(The meeting ended at 7.20 pm)

CHAIRMAN

Agenda Item 6.

AUDIT COMMITTEE
10 DECEMBER 2019:

AGENDA ITEM:

PERFORMANCE AND RISK REPORT

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 2019-20 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.

Impact on Climate Change: No impacts 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 2019-20 financial year. The Committee is invited to suggest measures they would like to see included in the future for consideration.
- 1.2 Appendix 6 shows the higher impact risks from the Corporate Risk Register. See 3.0 below.
- 1.3 Appendix 7 shows the risk matrix for the Council.
- 1.4 All appendices are produced from the Corporate Service Performance And Risk Management system (SPAR).
- 1.5 When benchmarking information is available it is included.

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;** all the waste KPIs on Appendix 1 are better than target apart from the recycling rate which is marginally below. These are yet to be verified by DCC as is usual.
- 2.2 Regarding the Corporate Plan Aim: **Reduce our carbon footprint:** The Exeter University benchmarking of MDDC's Carbon Footprint as at 2018/19, along with the other Devon districts, is due by the end of December.
- 2.3 The Net-Zero Task Force has been appointed by the Devon Climate Emergency Response Group - made up of Devon's councils, emergency services and business groups - to deliver the Devon Carbon Plan.
- 2.4 The Carbon Plan will lay out in stark terms what every resident, organisation and business has to do to reduce emissions and safeguard the planet for the next generation. The Call for Evidence is open to everybody, and every submission will be reviewed by the Task Force. Submissions will feed into the creation of the Carbon Plan, which includes a series of thematic hearings in November and December.
- 2.5 **Other:** Waste services are also performing well financially with increased income from trade waste and recycling and the shared saving scheme for waste with DCC showing a surplus.

Homes Portfolio - Appendix 2

- 2.6 Regarding the Corporate Plan Aim: **Build more council houses:** The houses at Turner Rise, Palmerston Park are now fully occupied.
- 2.7 Regarding the Corporate Plan Aim: **Facilitate the housing growth that Mid Devon needs, including affordable housing: Bringing Empty homes into use** has already exceeded the annual target. **Number of affordable homes delivered** is just above target as at 30 September. Having been below target for several years, the figures have now been above target for the last 3 years.
- 2.8 Regarding the Corporate Plan Aim: **Planning and enhancing the built environment: Performance Planning Guarantee determined within 26 weeks** was just below target at 99% but all 4 speed and quality measures were well above the required target as at 30 September.
- 2.9 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 target of 14 days.

- 2.10 Housing performance remains in the top quartile compared with HouseMark. Financial performance of the Housing Revenue account is currently showing an underspend; mainly due to salary savings and new funding for delayed projects which will be earmarked for the future. General Fund housing has also received additional funding.

Economy Portfolio - Appendix 3

- 2.11 An Economic Development Service Update which covers specific projects identified as priority activities to progress the Corporate Plan is a separate item on this agenda.
- 2.12 Regarding the Corporate Plan Aims: **Attract new businesses to the District and Focus on business retention and growth of existing businesses;** we record **Businesses supported;** this includes new and existing businesses.
- 2.13 We also report the number of business rate accounts which now exceeds target increasing by almost 11% since we started reporting this figure in March 2016.
- 2.14 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;** it should be noticed that the vacancy count is done at the start of each quarter hence the figures for “December” are populated already.
- 2.15 According to the British Retail Gazette, the UK vacancy rate for town centre retail units hit 10.3% in July, so although only Cullompton currently has less empty units than target, all three towns are below the national vacancy rate.
- 2.16 **Other:** A report on the Local Plan main modifications went to Cabinet on 21 November prior to a further stage of public consultation.
- 2.17 A report on the position regarding the Greater Exeter Strategic Plan also went to Cabinet on 21 November; the revised timetable now envisages adoption in 2022.

Community Portfolio - Appendix 4

- 2.18 **Regarding the Corporate Plan Aim: Promote physical activity, health and wellbeing:** The pools and wetside facilities at Lords Meadow Leisure Centre in Crediton will be closed from 1:00pm on 29 November 2019 to 2 January 2020. This work is being scheduled as part of planned upgrades to replace the swimming pool infrastructure.
- 2.19 **Other:** The Council submitted a bid to Historic England for a share of the High Streets Heritage Action Zone, under the Government’s High Streets Programme. MDDC has successfully passed the first stage and will now need to submit a full programme design by January 2020 in discussion with Historic England.

- 2.20 Planning and Public Health account for most of the Community budget overspend with Revenues and Benefits and Leisure broadly on target.

Corporate - Appendix 5

- 2.21 **Working days lost due to sickness** is currently slightly below target but better than at this point last year. The revised sickness policy is in draft at present.
- 2.22 The **Response to FOI requests** have been 100% on time since April 2019. The new FOI information has been added as requested, with some information about the prior year for comparison. The extra FOI information did not start being published on the website until July 2018 when the new Cabinet FOI guidance was published.
- 2.23 The **% total Council Tax collected** and **% total NNDR collected** are both slightly below target.
- 2.24 Most of the support services are showing a small underspend as at September.

3.0 Risk

- 3.1 The Corporate risk register is regularly reviewed by Group Managers' Team (GMT) and Leadership Team (LT) and updated as required.
- 3.2 Risk reports to committees include strategic risks with a current score of 10 or more in accordance with the Risk and Opportunity Management Strategy. (Appendix 6)
- 3.3 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.
- 3.4 Operational risk assessments are job specific and flow through to safe systems of work. These risks go to the Health and Safety Committee biannually with escalation to committees where serious concerns are raised.

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 2019-2020
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
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* 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)	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	Officer Manager	Notes
<u>Residual household waste per household (measured in Kilograms) (figures have to be verified by DCC)</u>	182.68 (6/12)	365.00	36.52	66.32	93.65	123.30	154.52	181.78								Stuart Noyce	(April - September) On target with similar performance to 2018/19. (LD)
<u>% of Household Waste Reused, Recycled and Composted (figures have to be verified by DCC)</u>	54.20% (6/12)	54.00%	48.76%	52.78%	53.97%	54.16%	53.61%	53.67%								Stuart Noyce	(September) Small decrease in comparison to 2018/19 and against target. Residual waste has reduced by 32.0 tonnes; organic tonnage is up by 98 tonnes but dry recycling has reduced by 139 tonnes. This is mainly due to a reduction in paper which is a national trend. (LD)
<u>Net annual cost of waste service per household</u>		£45.00	n/a	Stuart Noyce													
<u>Number of Households on Chargeable Garden Waste</u>	10,034 (6/12)	10,000	9,921	10,102	10,109	10,195	10,266	10,241								Stuart Noyce	(September) An increase of 2.06% compared to the same period in the previous year. (LD)
<u>% of missed collections reported (refuse and organic waste)</u>	0.04% (7/12)	0.03%	0.01%	0.01%	0.01%	0.01%	0.02%	0.02%	0.02%							Stuart Noyce	(September) Within target levels (LD)
<u>% of Missed Collections logged</u>	0.02% (7/12)	0.03%	0.02%	0.02%	0.02%	0.02%	0.03%	0.03%	0.02%							Stuart Noyce	(September) Within target levels. (LD)

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

Title	Prev Year (Period)	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 Act	Officer Manager	Notes
<u>(recycling)</u>																	

Aims: Protect the natural environment
Performance Indicators

Title	Prev Year (Period)	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 Act	Officer Manager	Notes
<u>Number of Fixed Penalty Notices (FPNs) Issued (Environment)</u>	11 (6/12)		2	4	6	8	8	8							Stuart Noyce		

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Print Date: 15 November 2019 12:44

Corporate Plan PI Report Homes

Monthly report for 2019-2020
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
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* 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) End	Prev Year Year Target	Annual Target	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Group Act	Officer Notes
				Act	Manager												
<u>Build Council Houses</u>	2 (7/12)			26	0	0	0	0	0	26	26					Angela Haigh	(September) Palmerston Park (CY)

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

Performance Indicators

Title	Prev Year (Period) End	Prev Year Year Target	Annual Target	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Group Act	Officer Notes
				Act	Manager												
<u>Number of affordable homes delivered (gross)</u>	29 (2/4)			100	n/a	n/a	22	n/a	n/a	51	n/a	n/a	n/a	n/a		Angela Haigh	(Quarter 1 - 2) Info. from Planning (CY)
<u>Deliver homes by bringing Empty Houses into use</u>	70 (6/12)			72	17	33	42	55	72	84						Simon Newcombe	

Aims: Other

Performance Indicators

Title	Prev Year (Period) End	Prev Year Year Target	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 Act	Office Manager Notes
<u>% Decent Council Homes</u>	99.9% (6/12)		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%							Angela Haigh	
<u>% Properties With a Valid Gas Safety Certificate</u>	99.91% (6/12)		100.00%	99.78%	99.82%	99.91%	99.91%	99.96%	100.00%							Angela Haigh	
<u>Rent Collected as a Proportion of Rent Owed</u>	99.59% (6/12)		97.00%	91.55%	99.90%	97.66%	100.93%	99.30%	98.50%							Angela Haigh	
<u>Current Tenant Arrears as a Proportion of Annual Rent Debit</u>	1.31% (6/12)		2.50%	1.10%	0.87%	1.11%	1.09%	0.91%	1.17%							Angela Haigh	
<u>Dwelling rent lost due to voids</u>	0.55% (6/12)		0.70%	0.50%	0.50%	0.48%	0.48%	0.52%	0.53%							Angela Haigh	
<u>Average Days to Re-Let Local Authority Housing</u>	15.5days (6/12)		14.0days	14.0days	14.5days	14.6days	13.7days	14.6days	14.4days							Angela Haigh	

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Corporate Plan PI Report Economy

Monthly report for 2019-2020
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
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* 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)	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>	3,055 (7/12)	3,150	3,104	3,112	3,123	3,137	3,149	3,155	3,180						Andrew Jarrett, Fiona Wilkinson	

Aims: Focus on business retention and growth of existing businesses

Performance Indicators

Title	Prev Year (Period)	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 supported</u>	172 (7/12)	250	21	57	84	107	124	141	147						Adrian Welsh	(October) 5 businesses assisted and 1 new enquires (MF), Number of businesses assisted

Aims: Improve and regenerate our town centres

Performance Indicators

Title	Prev Year (Period)	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>	52,273 (7/12)	51,120	51,775	48,697	50,894	51,261	50,325	53,392							Andrew Jarrett	
<u>The Number of Empty Shops (TIVERTON)</u>	20 (3/4)	18	n/a	n/a	17	n/a	n/a	21	n/a	n/a	21	n/a	n/a	n/a	Adrian Welsh	Number of vacant retail units, (Quarter 4) Oct 19: 21 vacant units representing 8.7% of the total units. (CY)
<u>The Number of Empty Shops (CREDITON)</u>	9 (3/4)	8	n/a	n/a	6	n/a	n/a	10	n/a	n/a	10	n/a	n/a	n/a	Adrian Welsh	(Quarter 3) Oct 19: 10 vacant units representing 8.4% of total units in Crediton. (MF), Number of vacant retail units
<u>The Number of Empty Shops (CULLOMPTON)</u>	9 (3/4)	8	n/a	n/a	12	n/a	n/a	7	n/a	n/a	7	n/a	n/a	n/a	Adrian Welsh	(Quarter 3) Oct 19: 7 vacant units representing 7.9% of the total units. (MF), The number of vacant retail units

Aims: Other

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

Title	Prev Year (Period)	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>	£160,395 (3/4)	£100,000	n/a	n/a	£10,000	n/a	n/a	£10,000	n/a	n/a	£25,000	n/a	n/a		Adrian Welsh	(Quarter 3) 15,000 Euros awarded from WiFi4EU Programme (JB), Funding actively sought for corporate priorities

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Corporate Plan PI Report Community

Monthly report for 2019-2020

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

Corporate Plan PI Report Community

Priorities: Community

Aims: Other

Performance Indicators

Title	Prev Year (Period)	Prev Year 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>	86% (7/12)		90%	93%	93%	92%	93%	93%	92%	92%						Simon Newcombe	

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Corporate Plan PI Report Corporate

Monthly report for 2019-2020

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
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* 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) 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
<u>% of complaints resolved w/in timescales (10 days - 12 weeks)</u>	93% (7/12)	90%	96%	98%	95%	87%	89%	88%	85%						Lisa Lewis
<u>Number of Complaints</u>	30 (7/12)		26	31	33	34	33	31	30						Lisa Lewis
<u>New Performance Planning Guarantee determine within 26 weeks</u>	100% (2/4)	100%	n/a	n/a	99%	n/a	n/a	99%	n/a	n/a	n/a	n/a	n/a	n/a	Maria Bailey, Jenny Clifford
<u>Major applications determined within 13 weeks (over last 2 years)</u>	91% (2/4)	60%	n/a	n/a	72%	n/a	n/a	72%	n/a	n/a	n/a	n/a	n/a	n/a	Maria Bailey, Jenny Clifford
<u>Minor applications determined within 8 weeks (over last 2 years)</u>	75% (2/4)	65%	n/a	n/a	77%	n/a	n/a	78%	n/a	n/a	n/a	n/a	n/a	n/a	Maria Bailey, Jenny Clifford
<u>Major applications overturned at appeal (over last 2 years)</u>	3% (2/4)	10.00%	n/a	n/a	0.00%	n/a	n/a	2.42%	n/a	n/a	n/a	n/a	n/a	n/a	Maria Bailey, Jenny Clifford
<u>Major applications overturned at appeal % of appeals</u>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	40.00%	n/a	n/a	n/a	n/a	n/a	n/a	Jenny Clifford
<u>Minor applications overturned at appeal (over last 2 years)</u>	0% (2/4)	10%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a	n/a	n/a	n/a	n/a	Maria Bailey, Jenny Clifford
<u>Minor applications overturned at appeal % of appeals</u>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	42%	n/a	n/a	n/a	n/a	n/a	n/a	Jenny Clifford
<u>Response to FOI Requests (within 20 working days)</u>	97% (7/12)	100%	100%	100%	100%	100%	100%	100%	100%						Cather Yandle
<u>FOI/EIR</u>	n/a	n/a	2018 -19	32	28	26	26	44	26	32					Cather

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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	Group Manag
<u>Requests where the information was granted in full</u>			Q 3 & 4 190 i.e. 59.4%													Yandle
<u>ICO Decision Notices</u>	n/a	n/a	There were 4 complaints in 2018-19 2 Withdrawn 1 Upheld 1 Not Upheld	0	0	1	2	3	3	3						Cather Yandle
<u>Working Days Lost Due to Sickness Absence</u>	4.86days (7/12)		7.00days	0.46days	0.96days	1.55days	2.17days	2.88days	3.51days	4.18days						Matthe Page
<u>% total Council tax collected - monthly</u>	66.14% (7/12)		98.50%	11.16%	20.41%	29.29%	38.20%	47.15%	56.18%	65.93%						Andrew Jarrett
<u>% total NNDR collected - monthly</u>	64.83% (7/12)		99.20%	12.02%	24.00%	33.07%	40.40%	48.98%	57.25%	65.21%						Andrew Jarrett
<u>Number of visitors per month</u>	2,360 (7/12)		2,500	1,361	1,355	1,257	1,212	1,189	1,200	1,234						Lisa Lewis

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Corporate Risk Management Report - Appendix 6

Report for 2019-2020

Filtered by Prefix: Exclude Risk Prefix: OP, PR, EV

**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
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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

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
Completed and evaluated	Partnership working arrangements	may require experienced staff from other authorities if staff absent at key times	Jackie Stoneman	02/08/2013	11/03/2019	Fully effective (1)

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)

Corporate Risk Management Report - Appendix 6

Risk: Climate Change Declaration The implications to the Council's strategic, budget and medium term financial plans are not yet fully explored and understood. This introduces an increased level of uncertainty.

Service: Governance

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions					
No Data available	Consideration by the Environment PDG	This PDG has been tasked with considering the Council's own policy response (s) to the Climate Change Declaration made at Full Council on 26 June 2019.	Catherine Yandle	19/07/2019	05/09/2019	No Score(0)					
On / ahead of schedule	Establishing baseline and definitions	A Devon wide definition of "Carbon footprint" needs to be established so the County can work to a common formula. MDDC's own Carbon footprint will be calculated to establish a baseline for future measurement.	Catherine Yandle	19/07/2019	05/09/2019	Satisfactory (2)					
Current Status: High (25)		Current Risk Severity: 5 - Very High		Current Risk Likelihood: 5 - Very High							
Service Manager: Catherine Yandle											
Review Note: The baseline Carbon footprint is due by the end of December.											

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	15/10/2019	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	15/10/2019	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	15/10/2019	Satisfactory (2)
Completed and evaluated	Technical controls in place	Required to maintain Public Sector Network certification	Alan Keates	03/01/2019	15/10/2019	Fully effective (1)

Current Status: High (20)	Current Risk Severity: 4 - High	Current Risk Likelihood: 5 - Very High
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Service Manager: Alan Keates

Review Note: See mitigating actions.

Corporate Risk Management Report - Appendix 6

Risk: Economic Strategy Failure to deliver projects/outcomes in Economic Strategy

Service: Growth, Economy and Development

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
On / ahead of schedule	Continue to seek out existing and new funding opportunities	To assist in ensuring adequate funding for delivery.	Adrian Welsh	10/06/2019	17/09/2019	Satisfactory (2)
On / ahead of schedule	partnership working	Continue to work closely with delivery partners to gain advance warning of difficulties so as to seek to mitigate	Adrian Welsh	10/06/2019	17/09/2019	Satisfactory (2)
On / ahead of schedule	Project Management	Continue rigorous project management, monitoring and reporting	Adrian Welsh	10/06/2019	17/09/2019	Satisfactory (2)

Current Status: Medium (12)

Current Risk Severity: 4 - High

Current Risk Likelihood: 3 - Medium

Service Manager: Jenny Clifford

Review Note: See mitigating actions

Risk: Funding Insufficient resources (including funding) to deliver growth aspirations of Corporate Plan.

Service: Growth, Economy and Development

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
On / ahead of schedule	Officers have reprioritised work programmes to explore new funding opportunities	End of European funding sources	Adrian Welsh	10/06/2019	10/06/2019	Satisfactory (2)

Current Status: High (16)

Current Risk Severity: 4 - High

Current Risk Likelihood: 4 - High

Service Manager: Adrian Welsh

Review Note: Uncertainty as to whether funding will continue in current political climate.

Corporate Risk Management Report - Appendix 6

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

Service: Governance

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
Behind schedule	IDOX Records Handling Plan	To utilize IDOX bulk data handling tool across the Council services using Uniform	Catherine Yandle	01/03/2019	19/11/2019	Poor - action required(3)
On / ahead of schedule	Records Management Action Plan	To improve identified issues with records management	Catherine Yandle	15/06/2018	19/11/2019	Satisfactory (2)

Current Status: Medium (10)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 2 - Low

Service Manager: Catherine Yandle

Review Note: Timetable for IDOX data handling work to be completed by 31 December 2019

Corporate Risk Management Report - Appendix 6

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					
Completed and evaluated	Risk Assessments	Review risk assessments and procedures to ensure that we have robust arrangements in place. In progress ready for September reports.	Michael Lowe	28/05/2013	15/11/2018	Fully effective (1)					
Behind schedule	Risk assessments	Group Managers contacted with request to update the outstanding risk reviews	Michael Lowe	20/09/2019		Poor - action required (3)					
Current Status: No Data		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											

Corporate Risk Management Report - Appendix 6

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 and fully functional including reporting facility.	Claire Fry	05/09/2017	13/09/2019	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 Autumn 2019.	Claire Fry	22/06/2017	13/09/2019	Fully effective (1)					
Current Status: Medium (12)		Current Risk Severity: 4 - High		Current Risk Likelihood: 3 - Medium							
Service Manager: Claire Fry											
Review Note: See mitigating actions											

Corporate Risk Management Report - Appendix 6

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

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	Awareness and Training	Attend team meetings and other meetings such as Tenants Together to provide training and answer questions on request. Articles in the Link on an ad hoc basis.	Catherine Yandle	09/08/2019	19/11/2019	Satisfactory (2)						
Completed and evaluated	Breach notification	Security breaches are logged via the helpdesk and monitored for developing trends. Training and advice is offered in response to items logged.	Catherine Yandle	09/08/2019	19/11/2019	Satisfactory (2)						
Current Status: High (15)	Current Risk Severity: 5 - Very High			Current Risk Likelihood: 3 - Medium								
Service Manager: Catherine Yandle												
Review Note: See mitigating actions												

Corporate Risk Management Report - Appendix 6

Risk: Infrastructure delivery Inability to deliver, or delay in delivering, key transport infrastructure to unlock planned growth											
Service: Growth, Economy and Development											
Mitigating Action records											
Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions					
On / ahead of schedule	Partnership working with infrastructure providers and statutory bodies	Reduce risk of delays and communication.	Adrian Welsh	10/06/2019	17/09/2019	Satisfactory (2)					
On / ahead of schedule	target funding opportunities	To seek to bring forward delivery	Adrian Welsh	10/06/2019	17/09/2019	Satisfactory (2)					
Current Status: Medium (12)		Current Risk Severity: 4 - High		Current Risk Likelihood: 3 - Medium							
Service Manager: Jenny Clifford											
Review Note: See mitigating actions											

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											
Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions					
On / ahead of schedule	This is an opportunity - Communication with third parties needed		Jo Nacey	02/08/2019	02/08/2019	Satisfactory(2)					
Current Status: Medium (12)		Current Risk Severity: 4 - High		Current Risk Likelihood: 3 - Medium							
Service Manager: Jo Nacey											
Review Note: See mitigating actions											

Corporate Risk Management Report - Appendix 6

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	13/09/2019	Satisfactory(2)
On / ahead of schedule	Medium term planning		Jo Nacey	28/09/2017	13/09/2019	Satisfactory(2)
On / ahead of schedule	We continue to work with managers to reduce costs and explore new income streams		Jo Nacey	07/02/2019	13/09/2019	Satisfactory(2)

Current Status: High (15)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 3 - Medium

Service Manager: Jo Nacey

Review Note: See mitigating actions

Corporate Risk Management Report - Appendix 6

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	13/09/2019	Satisfactory (2)
On / ahead of schedule	Identify Efficiencies	Taking proactive steps to increase income and reduce expenditure through efficiencies, vacancies that arise and delivering services in a different way.	Andrew Jarrett	28/05/2013	13/09/2019	Satisfactory (2)
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	13/09/2019	Satisfactory (2)
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	13/09/2019	Satisfactory (2)

Current Status: High (20)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 4 - High

Service Manager: Jo Nacey

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Corporate Risk Management Report - Appendix 6

Review Note: See mitigating actions

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
On / ahead of schedule	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: See mitigating actions

Corporate Risk Management Report - Appendix 6

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. Tenancy Home Checks enable us to identify issues in homes; and communal inspections and Neighbourhood Walkabouts enable us to identify issues in communal areas which could also increase health and safety risks.	Claire Fry	05/09/2017	13/09/2019	Fully effective(1)				
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	13/09/2019	Fully effective(1)				
Current Status: Medium (10)		Current Risk Severity: 5 - Very High	Current Risk Likelihood: 2 - Low							
Service Manager: Claire Fry										
Review Note: See mitigating actions										

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
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Service Manager: Jenny Clifford

Review Note:

Corporate Risk Management Report - Appendix 6

Risk: SPV - 3 Rivers - Failure of the Company This will depend on Economic factors and the Company's success in the marketplace commercially.

For MDDC the impacts will be:

3 Rivers are unable to service and repay the loan from MDDC

Not receiving the forecast additional income

Not supporting corporate objectives.

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	Quarterly Officer Programme Board	Will receive detailed project updates and will ensure performance correlates with existing metrics, budgets, timetable and considers any specific material project risks that have been identified. Anything materially o/s of project confines would then be reported to Cabinet	Catherine Yandle	13/06/2019	13/09/2019	Satisfactory (2)
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 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.	Jo Nacey	30/05/2019	13/09/2019	Satisfactory (2)

Current Status: High (20)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 4 - High

Service Manager: Jo Nacey

Review Note: See mitigating actions

Corporate Risk Management Report - Appendix 6

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

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	13/09/2019	Satisfactory (2)

Current Status: Medium (12)

Current Risk Severity: 4 - High

Current Risk Likelihood: 3 - Medium

Service Manager: Jo Nacey

Review Note: See mitigating actions

Corporate Risk Management Report - Appendix 6

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	Included on AGS	This issue has been included on the Annual Governance Statement Action Plan so we do not lose sight of the issue throughout the year.	Catherine Yandle	15/07/2019	06/09/2019	Satisfactory (2)					
Behind schedule	Openness and Transparency	Regular reports to Cabinet in open session where possible. Need to balance commercial interests with Nolan principles.	Catherine Yandle	20/05/2019	06/09/2019	Poor - action required(3)					
Current Status: Medium (10)		Current Risk Severity: 5 - Very High		Current Risk Likelihood: 2 - Low							
Service Manager: Catherine Yandle											
Review Note: See mitigating actions											

Corporate Risk Management Report - Appendix 6

Risk: ST-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					
Completed and evaluated	Reminder to renew correspondence	To maintain the existing customer base	Lorraine Durrant	06/06/2019	05/07/2019	Fully effective (1)					
Completed and evaluated	Social media compaigns & publicity	To ensure that information about the garden waste service reaches as many residents as possible	Lorraine Durrant	06/06/2019	05/07/2019	Fully effective (1)					
Current Status: Medium (12)		Current Risk Severity: 4 - High		Current Risk Likelihood: 3 - Medium							
Service Manager: Stuart Noyce											
Review Note: See mitigating actions											

Corporate Risk Management Report - Appendix 6

Risk: Tiverton Pannier Market Failure to maximise the economic potential of Tiverton Pannier Market

Service: Growth, Economy and Development

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
On / ahead of schedule	Continue to retain and prioritise market budget	To ensure most efficient use of resources	Adrian Welsh	10/06/2019	17/09/2019	Satisfactory (2)
On / ahead of schedule	continue to work with traders on promotion	To increase footfall.	Adrian Welsh	10/06/2019	17/09/2019	Satisfactory (2)
On / ahead of schedule	Implement and review market strategy	Implementation of strategy will increase market's financial success and help fulfill its function as a key driver for the town.	Adrian Welsh	10/06/2019	17/09/2019	Satisfactory (2)
On / ahead of schedule	Masterplan Implementation	To realise benefits from the Masterplan to increase visibility of market and increase footfall.	Adrian Welsh	10/06/2019	17/09/2019	Satisfactory (2)

Current Status: Medium (12)

Current Risk Severity: 4 - High

Current Risk Likelihood: 3 - Medium

Service Manager: Jenny Clifford

Review Note: See mitigating actions

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17:41

Risk Matrix

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	1 Risk	2 Risks
	4 - High	No Risks	No Risks	No Risks	1 Risk	2 Risks
	3 - Medium	No Risks	1 Risk	6 Risks	8 Risks	3 Risks
	2 - Low	No Risks	3 Risks	13 Risks	13 Risks	5 Risks
	1 - Very Low	No Risks	3 Risks	3 Risks	4 Risks	5 Risks
		1 - Very Low	2 - Low	3 - Medium	4 - High	5 - Very High
Risk Severity						

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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Agenda Item 7.

AUDIT COMMITTEE
10 DECEMBER 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 2018/19 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.

Impact on Climate Change: No impacts 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 15 July 2019.
- 1.2 The Action Plan is attached as Appendix A and progress updates have been noted on the document. There were 8 issues identified in the 2018/19 Annual Governance Statement which required remedial action.
- 1.3 Progress was expected by, and made, 31 October on 4 actions. For 2 there is a change of date for completion to be agreed but progress has been made on both i.e. 2 and 3.
- 1.4 3 actions are now completed and 2 partially completed. Only one is not due to be finished by 31 March 2020 i.e. part of 8.
- 1.5 Progress against the Action Plan is 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

Annual Governance Statement (2018/19)

Annual Governance Statement 2018-19 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.	Head of Planning, Economy and Regeneration An updated database of S106 records has been put in place. A Group Manager Working Group has been set up to do further work on this with a deadline of the end of September.	30 September 2019	Green
	An options report has been prepared by ICT to consider software options to manage, track and report S106 requirements and payments.	Proposed S106 governance arrangements have not yet been agreed by Members. A working group of PPAG is being set up to consider proposals in more detail.	31 December 2019	Yellow
		ICT to develop in house software solution for S106. Go live date in December 2019. Final decision to be taken in March 2020 over whether to continue use of existing system for CIL purposes.	31 March 2020	Yellow
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	Director of Business Transformation and Corporate Affairs Ethics module now being published on LMS	30 September 2019 30 November 2019	Yellow

Annual Governance Statement (2018/19)

3. Continue to strengthen the link between finance and performance during 2019/20, particularly in the light of budget cuts and cost savings requirements.	<p>All Members' Budget Prioritisation Away Day</p> <p>Include financial information to inform performance reporting</p>	<p>Deputy Chief Executive</p> <p>Attend Finance monitoring meetings in order to understand the effects that savings to achieve budget have on performance</p>	<p>6 September 2019</p> <p>31 October 2019</p> <p>31 January 2020</p>	
4. The internal audit report on risk management opinion was "The quality of information about risks and the mitigating action of those risks required significant improvement to enable the risk register and risk management framework to be an effective tool to protect the Council's activities".	Amendments to the reports have been made already with the June committee reports, further improvements are planned over the next couple of months.	Director of Business Transformation and Corporate Affairs	Deadline agreed with Internal Audit 30 September 2019	
5. An Internal Audit Report on 3 Rivers states "We consider that the current developing position of the Company and the level of risk and investment into this new venture represents a significant risk to the Authority."	We have reviewed the risks on the Corporate Risk Register to reflect the findings of the Internal and External audit reports. This will be regularly monitored and updated where appropriate.	Deputy Chief Executive	30 September 2019	
6. Separate bodies created by local authorities should abide by the Nolan principle	The Council has to balance the requirements for openness and transparency of Council	Deputy Chief Executive The Standards Working Group has	31 October 2019	

Annual Governance Statement (2018/19)

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<p>of openness, and publish their board agendas and minutes and annual reports in an accessible place.</p> <p>Best Practice 14 from Ethical Standards in Local Government A Review by the Committee on Standards in Public Life January 2019</p>	<p>business and decision-making versus commercial sensitivity of 3RDL.</p>	<p>reviewed this report and the best practice guidance. On the advice of the Monitoring Officer, on 9 October 2019, the Standards Committee decided that the case for this Best Practice 14 was unconvincing and should not be regarded as best practice and that it should be not be required of 3RDL.</p> <p>The Board agendas and minutes are peppered throughout with commercially sensitive information – for both the Council and third parties – and including personal data. Publication could lead to less visibility for the Council as shareholder and decisions not being fully evidenced in writing.</p>		
<p>7. The Equality Objective for 2018/19 to review the work of, and work towards the revival of, the Corporate Equalities Group has not yet been completed. Although some progress has been made this will continue to be the Equality Objective for 2019/20.</p>	<p>This is being worked on together with Communications and in accordance with the Community Engagement Strategy and Action Plan</p>	<p>Director of Business Transformation and Corporate Affairs</p> <p>Initial meeting to re-start equality forum was held on 22 October 2019, a further meeting has been scheduled for 13 January 2020.</p>	<p>31 March 2020</p>	

Annual Governance Statement (2018/19)

<p>8. 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 experience needed. Measures are being implemented to combat this risk.</p>	<p>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.</p> <p>The new “Evolve” project is wrapping up these themes.</p>	<p>Director of Business Transformation and Corporate Affairs</p> <p>The new GM for HR has set out a series of practical steps to ensure “Evolve” is fully implemented. This includes the following:</p> <ul style="list-style-type: none"> An immediate focus on the completion of Appraisal 19/20 The carrying out of an audit of the above process The implementation of a new Appraisal and Competency process followed by completion of the skills audit 	<p>30 September 2019 31 October 2019 April 2020 September 2020</p>	
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Internal Audit

Audit Progress Report 2019-20

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December 2019

CUSTOMER
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Mid Devon District Council
Audit Committee



Robert Hutchins
Head of Audit Partnership

Auditing for achievement

Agenda Item 8.

Introduction

The Audit Committee, under its Terms of Reference contained in Mid Devon District 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 2019/20 was presented and approved by the Audit Committee in March 2019. The following report and appendices set out the background to audit service provision; a review of work undertaken in 2019/20 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 progress 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 and satisfy themselves from this assurance that the internal control framework continues to be maintained.

**Robert Hutchins
Head of Devon Audit Partnership**

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Executive Summary Audit Results	2
Value Added	3
Audit Coverage & Progress Against Plan	3
Fraud and irregularity	3
Appendices	
1 – Summary of Audit Results	4
2 – Performance Indicators	8

Opinion Statement

Overall, based on work performed during 2019/20 and our experience from the current year progress and 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.

This opinion statement will support Members in their consideration for signing the Annual Governance Statement.

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 is the responsibility of management yet may be reviewed during subsequent audits or as part of a specific follow-up process.

Directors and Senior Management have been provided with details of Internal Audit's opinion on each audit review to assist them with compilation of their individual annual governance assurance statements at year end.

Full Assurance	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.
Substantial Assurance	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.
Limited Assurance	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.
No Assurance	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.

Executive Summary of Audit Results

Core Audits we have completed several reviews covering the Council's key financial controls including housing benefits, debtors and main accounting systems where assurance has been of a high standard much to the credit of individuals concerned.. The focus this year will, as agreed in the audit plan, be on review and documentation of the control environment with focused testing on 'hotspot' areas rather than wide ranging compliance testing.

We are near completion of the council tax and NNDR audit ,no material issues have been identified to date. Creditors review has commenced, assurance is expected to be of good to high standard in these reviews.

Risk Based Audits have formed the majority of the work I the first part of the year. Opinions for the current period are included in appendix 2 to this report.

Findings have generally found a good level of control and opportunity value for improvement in achievement of objectives.

Of particular note is the property development company:

- much progress has been made since our initial review though the assurance remains at 'improvements required' though this is largely due to market forces and the need for greater depth of monitoring of performance.

Our reviews, in general terms, provide assurance of a sound internal control framework that is generally operating as required.

Other Work

- Audit Committee guidance on fraud management is being planned at the moment for presentation and training in January

Tender documents have been verified as usual.

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.

We have been working with the Authority's External Auditors to provide a joint review of the housing benefits subsidy claim for 2018/19 with a particular focus on the 'Discovery Testing'. This joint work should provide benefits to all parties in knowledge sharing, skill development and resource management.

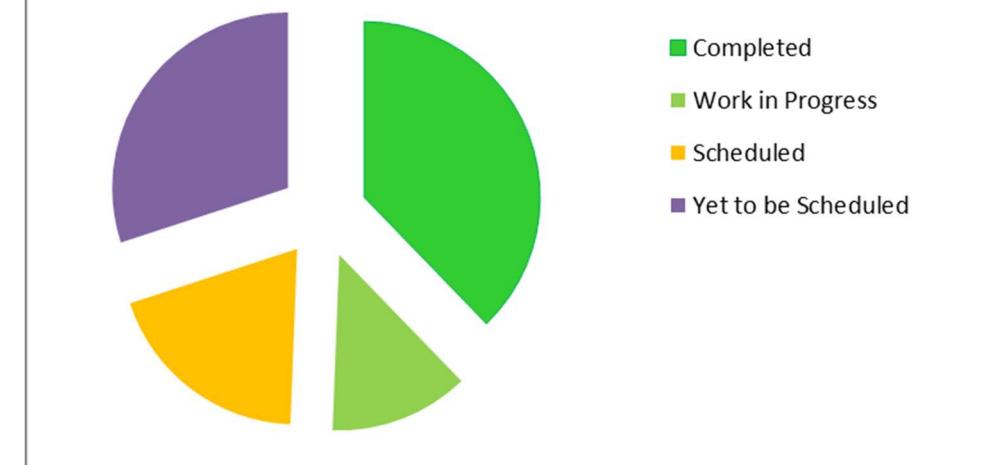
Audit Coverage and Performance Against Plan

Performance against plan shows work to be gaining pace though there is still a good deal to complete though several audits are near completion now. We have scheduled resource from three additional staff covering some specialist areas (including ICT) over the next few months. It is generally as expected that the larger proportion of the work to be completed in the second half of the year. This is due in part to leave arrangements and the continued development of the audit approach. It is expected that DAP will complete the audit plan by year end. Work on the core financial systems is progressing to fit with External Audit requirements.

The pie charts right shows the progress of audit against plan. The work completed in this period is primarily risk based work with some core key financial systems being commenced now.

Appendix 1 to this report provides a summary of the audits undertaken since our last progress report in October 2019, along with our assurance opinion. Where a "high standard" 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 "improvements required" has been provided then issues were identified during the audit process that required attention. We have provided a summary of some 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.

Progress of Audit Plan 2019-20



Key performance indicators on progress against audit recommendations reveals that the Council continues to make progress though there remain several recommendations outstanding from prior year audits. See appendix 2. We have been working with the Council to improve procedures to ensure that these are monitored more effectively such that they are brought to a close more quickly.

Fraud Prevention and Detection

There have been no reviews this period.

Customer Satisfaction – satisfaction returns specific to MDDC have yet to be received this year though in general for DAP, survey returns score 98% satisfaction year to date.

Appendix 1 – Summary of audit reports and findings for 2019/20

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	Assurance opinion	Executive Summary / Residual Risk	Audit Report		
			Summary of Recommendations High / Med / Low		Direction of Travel Assurance
Risk Based Reviews					
Housing Benefits Risk / ANA: ANA – High	Good Standard Status: Final	This review was reported as part of the October progress report. Recommendations have now been finalised and management actions agreed.	0	4	0
Housing Benefit – Subsidy Claim discovery testing Risk / ANA: ANA – High	Opportunity Status: Completed	We have supported External Auditor with the process of initial 'discovery testing' of the subsidy claim. This work identifies if there are any errors in supporting evidence for individual benefit claims and the possible impact of this on the overall validity of the claim itself. We undertook work jointly with staff from the MDDC Housing Benefits Team who were very supportive in the process. The External Auditors have accepted this discovery work and used it to form the basis for further substantive work(40+ testing) which has now also been completed by the MDDC Housing Benefits Team. The final outcome report is awaited.	n/a	n/a	n/a
Debtors Risk / ANA: ANA – Med	Good Standard Status: Final	<p>Overall control framework is sound, although areas were identified where controls could be enhanced. These include: reviewing access to customer entry screen, regular review of customer database, obtaining a complete list of periodic bills from service areas to ensure completeness of income. There remains some issues relating to posting of VAT allocations though these are now from the Capita online system; although the amount of money involved is not material, this still represents a risk to accurate accounting for VAT, and increased checking by accountants.</p> <p>We have undertaken some analysis of data quality within the debtors master file during the course of the review and have identified several areas for improvement including:</p> <ul style="list-style-type: none"> - removal of old records (data protection requirements); - debtor name recording (to reduce poor recovery risk); - future digital improvement opportunities (debtor categorisation and contact info). 	0	3	3

Risk Area / Audit Entity	Audit Report			
	Assurance opinion	Executive Summary / Residual Risk	Summary of Recommendations High / Med / Low	Direction of Travel Assurance
Main Accounting System Risk / ANA: ANA – High Spar 5x4=High/Red Linked to Risk of Reduced Funding	High Standard Status: Final	MAS system functionality operates effectively to ensure mandatory fields are populated, which prevents omissions. System automatically validates information such as coding before amendments can be posted. Access to online banking system is well controlled. Robust budget monitoring procedures in place, and amendments to budgets and actuals comply with financial regulations. All amendments tested during our review had sufficient evidence of authorisation where required.	0 0 0	
Risk Based Reviews				
Housing repairs and Maintenance - Adaptations Risk / ANA: ANA – Low Grant Request 0 0 0	Good Standard Status: Final	Our review of the aids and adaptations processes found that the Council is proactive in providing aids and adaptations to tenants where a need has been identified. This is carried out in line with the policy and/or the process map for major adaptations. However, our review of some of the applications found that although the Team follows the process map for major adaptations evidence of several of the financial assessment controls are not always retained or available to substantiate that controls have been carried out. Although the Team may be carrying out all of the necessary steps the lack of evidence to show that it has been completed reduces the assurance that can be given on the adequacy of the control framework. This could result in the Council meeting a higher cost for adaptations than appropriate. An area of concern is that of data security for applicant's personal information from when it is received by the Council until it arriving at the service department – this is being considered as part of a wider information review – Paperless Project.	2 5 3	
Property Development Company – Governance Review – Follow-up review Risk / ANA: ANA – High Spar Spar 5x4=High/Red Linked to risk of success of failure of the company	Improvements Required Status: Final	Overall we are pleased to recognise the significant steps that have been taken to improve the control framework around the highest risk areas previously identified and to provide greater clarity in reporting to Members. However, performance monitoring information including KPIs (on financial information) are not sufficiently clear at present to recognise the returns that projects may provide, and progress with projects. In addition to this, whilst current projects are progressing, there is currently little guaranteed future work on the books at the time of the audit. The combination of these two factors present considerable risk to the primary objective for the Company to provide the additional income streams for the Authority We previously reported that a significant issue for many organisations who develop outsourced / arms-length / partner organisations is the requirement for a 'retained client' function and that of managing the performance measures of the new	2 7 2	

Risk Area / Audit Entity	Audit Report					
	Assurance opinion	Executive Summary / Residual Risk	Summary of Recommendations High / Med / Low	Direction of Travel Assurance		
Page 59		<p>organisation to include KPIs, performance management and reporting requirements for the Authority. For Mid Devon, the initial monitoring was in the main by the Cabinet, and this has been built upon with an additional quarterly Officer Shareholder meeting. Given the significance of the venture it is wholly appropriate that Cabinet should monitor performance and achievement of objectives in line with the business plan. It is, however, not yet clear that Cabinet are fully sighted on the link between turnover and overall profitability taking into account working capital – since much of the reporting is done at individual scheme level. Therefore, our assurance currently remains at 'Improvements Required'. We recommend that the performance monitoring is developed further to provide clear key performance indicators at both project and company levels to address this. This view aligns with the External Auditor's recommendations made in July 2019. This reporting should jointly address the lack of future projects.</p> <p>At the time of our initial review the Company had commenced development projects and was drawing down money to deliver this. We found that several governance procedures including loan agreements, approvals and monitoring had yet to keep pace with development and there were some key conflicts of interest within the directorship. These have now been substantially addressed by the appropriate separation of approvals and controls.</p>				
Property Development Company – Internal Controls Review	Good Standard	This review has considered the internal controls operating within the Company. The Company has expressed that though this is an internal report it wished to be transparent in presentation of the findings through its own and the Councils governance arrangements.				
Company Request	Status: Draft	<p>This a relatively small company that has only two direct employees and three Directors yet has significant value in projects underway supported by investment from the Authority. By necessity the control framework is very light in comparison to a larger organisation. Additional control is provided through specialist advisors with opportunities to prevent and / or detect errors, not least through the use of a project consultant, a firm of accountants, an independent legal advisor / company secretary and oversight from the LA. We feel that given the size of operation and these additional measures that the control framework is generally sound on governance and the day to day financial operation of the business.</p> <p>It is clear that the Board's Directors are closely involved in operational business at a project level on a regular basis and have a good understanding of project delivery,</p>	1	6	1	

Risk Area / Audit Entity	Audit Report			Summary of Recommendations High / Med / Low	Direction of Travel Assurance
	Assurance opinion	Executive Summary / Residual Risk			
Page 6		<p>finances and progress. We have identified the need for improvement in business cases for projects through templating their format, and with the inclusion of key KPIs that might be expected at both project and company financial levels. This, as they stand, reduces the clarity and transparency of performance reporting both internally to the Board and also to the Council as identified in their report on governance of the company. Having the KPI's aligned from Company to Council will improve efficiency of reporting, consistency and assurance.</p> <p>This lack of clarity extends to the accountant's monthly financial management reports where the Company recognises the need for improved reporting transparency of performance against target. This would provide greater alignment of management accounts to project reporting information to the Board improving overall assurance. We have reported an assurance level of 'improvements required' for these elements. The Company are in the process of agreeing actions to address these matters and see the benefits of aligning KPIs internally to those for reporting to the Council on performance management which are in matter of fact the same reported issue.</p>			
Human Resources – Job Evaluation System	Good Standard Status: Completed	Audit work has been completed on the new on-line job evaluation system. Initial findings are that the systems controls and evaluation methodology are sound and should ensure consistency through what is a nationally accepted standard of assessment. No material concerns have been identified.		n/a	n/a
Human Resources – Appraisals and Training	Opportunity Status: Draft	This review is as a Trusted Advisor considering the proposed developments in the appraisal process. We are currently discussing opportunities to engender greater engagement in the appraisal process and how performance monitoring of appraisals and use of information management can be made to better inform the process. This all supports the wider objective of the Evolve project which aims to strengthen the Council's culture values and expected behaviours.		n/a	n/a

The following audits have been completed:

Draft reports are being prepared for:

- Job evaluation
- Appraisals and Training
- Council Tax and NNDR
- Street Scene – Fleet Contract Hire

No material concerns have been identified with these reviews. Opinions will be provided in the March progress report.

The remaining plan work is scheduled for completion by the year end.

Audit Report				
Risk Area / Audit Entity	Assurance opinion	Executive Summary / Residual Risk	Summary of Recommendations High / Med / Low	Direction of Travel Assurance
We are bringing in three additional staff with different skill sets for specific audits including ICT				

Appendix 2 – Performance Indicators

Incomplete Audits	Year	Recommendations									Direction of Travel R,A,G	Comments	
		High C N O			Medium C N O			Low C N O					
Care Services - Alarm Call	2017	1	1	3				4	0	1	🔴	West Somerset and Taunton Deane merger now complete (to form Somerset West and Taunton) Data Sharing agreement is now near completion.	
Development Management S106	2017		2		1	2			0	1	🔴	Progress being monitored by LT. S106 Governance arrangements to be approved by Cabinet. ICT have developed an in-house software solution. Go-live date is December 2019. CIL action plan delayed due to Inspector review of Local Plan. New target date for CIL is 31/03/20	
Payroll	2017	3		6	1			9	0	1	🟡	Call logged with Zellis, awaiting information on how to set up auditing using the auditing report	
Insurance	2017			3				1	3	0	🟡	Insurance checks for external contractors - in discussion with Procurement.	
Procurement	2018		1	4				4	0	1	🟡	Corporate Procurement Strategy outstanding - deadline extended.	
Housing Rents	2018	3	1	5	1			8	0	2	🟡	Officers now allocating time each week to carry out work to deal with backlog of refunds for accounts in credit. ICT helpdesk request raised for workflow process in respect of movers.	
Partnerships - Building Control	2018	2		3	3	2		5	3	2	🟡		
Creditors	2018			2	2	1	2	3	0	4	🟡		
Housing Health & Safety	2018	1			15	1	1	2	0	16	🟡		
Leisure CVSC	2018			5	1			5	0	1	🟡		
Gounds Maintenance	2018			2	1	2		4	0	1	🟡	Departmental SLA's for grass cutting - frequency of cuts TBC	
Safeguarding	2019		2		4			0	4	2	🟡	Risk register - front line services. Requests sent to GMs to add to SPAR. Housing Repairs and Leisure services to add to Risk Register	
Vehicles & Fuel	2015	5		6	1			11	0	1	🟢	Draft transport policy had now been written & to LT in December	
Housing Benefits	2018			1	1	1		2	1	0	🟢	Re-tendering of disaster recovery contract - due date June 2020	
Ctax and NNDR and recovery	2018	1		1	1	1	3		5	1	1	🟢	This relates to s106 developer payment (sundry debt raised). Developer continuing to pay monthly at a rate of £2k per month. Outstanding debt is currently £152K
Business Continuity Planning	2018			2				0	2	0	🟢		
Culture and Ethics	2018		2		1	1		3	1	0	🟢		
Risk Management	2018	6		7		0		0	13	0	🟢		
Private Sector Housing	2019		2	3	3			5	3	0	🟢		
Housing Lettings	2019			1				0	1	0	🟢		
ICT Service Transition	2019	3	1	3	5			6	6	0	🟢		
Asset Management	2019			2		2		0	4	0	🟢		
Cyber Security and LGA Stocktake	2018	5	2	5	1	1		10	3	1	🟢		
		24	9	7	53	31	28	12	3	4	89	43	39

CORE
SYSTEM

C = Completed

52%

N= Not yet due

25%

O= Overdue

23%

Not progressing
Progressing someoverdue
On Target

* report just issued

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Devon Audit Partnership

The Devon Audit Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay, Devon & Torridge councils. 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.

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 robert.hutchins@devonaudit.gov.uk.

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Audit Progress Report and Sector Update

Mid Devon District Council
Year ending 31 March 2020

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11 December 2019



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Introduction



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This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

Members of the Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications www.grantthornton.co.uk.

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress at December 2019

Financial Statements Audit

Since the last Audit Committee we have begun our planning for the 2019/20 audit. In the New Year we will issue a detailed audit plan, setting out our proposed approach to the audit of the Council's 2019/20 financial statements.

We are scheduled to meet with senior officers on 5 December 2019 where we will discuss the timetable for the audit and progress against prior year recommendations.

Our interim audit is scheduled to commence in the New Year and will include:

- Updated review of the Council's control environment;
- Updated understanding of financial systems;
- Review of Internal Audit reports on core financial systems;
- Early work on emerging accounting issues; and
- Early substantive testing.

We will report the findings of our interim audit as part of our regular Audit Committee reporting.

We will report the overall findings of the 2019/20 audit in the Audit Findings Report and aim to give our opinion on the Statement of Accounts 31 July 2020.

Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The guidance confirmed the overall criterion as: "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

The three sub criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

Details of our initial risk assessment to determine our approach will be included in our Audit Plan.

We will report our work in the Audit Findings Report and aim to give our Value For Money Conclusion by the 31 July 2020.

Progress at December 2019

Other areas

Certification of claims and returns

Since the October Audit Committee we have certified the Council's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the Department for Work and Pensions. This work was completed collaboratively with Internal Audit and Council Officers. This arrangement worked well and allowed the work to be completed by the deadline and to the required quality standards. The base fee for this work has been reduced to reflect this collaborative arrangement.

The claim was certified on 29 November 2019 ahead of the national deadline. Minor amendments were made to the claim with the overall impact being a reduction in subsidy due of £4,039. The detailed findings of this work will be reported as part of our certification report at the next audit committee.

Meetings

We are due to hold our initial planning meeting with your senior finance officers and this will feed this into our Audit Plan.

Events

We are currently sending out invites to your finance team for our Chief Accountant workshops. These are really useful events that allow an opportunity to discuss emerging technical items.

Audit Fees

During 2017, PSAA awarded contracts for audit for a five year period beginning on 1 April 2018. 2019/20 is the second year of that contract. Since that time, there have been a number of developments within the accounting and audit profession. Across all sectors and firms, the Financial Reporting Council (FRC) has set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge and to undertake additional and more robust testing.

Our work in the Local Government sector in 2018/19 has highlighted areas where financial reporting, in particular, property, plant and equipment and pensions, needs to improve. There is also an increase in the complexity of Local Government financial transactions and financial reporting. This combined with the FRC requirement that all Local Government audits are at or above the "few improvements needed" (2A) rating means that additional audit work is required.

We are currently reviewing the impact of these changes on both the cost and timing of audits. We will discuss this with your s151 Officer including any proposed variations to the Scale Fee set by PSAA Limited, before communicating fully with the Audit Committee.

As a firm, we are absolutely committed to meeting the expectations of the FRC with regard to audit quality and local government financial reporting.

Audit Deliverables

2019/20 Deliverables	Planned Date	Status
Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2019-20 financial statements.	January 2020	Not yet due
Interim Audit Findings We will report to you the findings from our interim audit and our initial value for money risk assessment within our Progress Report.	March 2020	Not yet due
Audit Findings Report The Audit Findings Report will be reported to the July Audit Committee.	July 2020	Not yet due
Auditors Report This is the opinion on your financial statement, annual governance statement and value for money conclusion.	July 2020	Not yet due
Annual Audit Letter This letter communicates the key issues arising from our work.	July 2020	Not yet due

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