

Public Document Pack

Mid Devon District Council

Audit Committee

Tuesday, 28 March 2023 at 5.30 pm
Phoenix Chambers, Phoenix House, Tiverton

Please Note: this meeting will take place at Phoenix House and members of the Public and Press are able to attend via Zoom. If you are intending to attend in person please contact the committee clerk in advance, in order that numbers of people can be appropriately managed in physical meeting rooms

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Membership

Cllr J Buczkowski

Cllr Mrs C Collis

Cllr N V Davey (Chairman)

Cllr R Evans

Cllr R F Radford

Cllr R L Stanley

Cllr A White

Cllr Mrs N Woollatt

Cllr A Wyer

AGENDA

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. **Public Question Time**
To receive any questions relating to items on the Agenda from members of the public and replies thereto.
3. **Declaration of Interests under the Code of Conduct**
To record any interests on agenda matters.
4. **Minutes of the previous meeting** (*Pages 5 - 10*)
To consider whether to approve the minutes as a correct record of the meeting held on 24 January 2023.
5. **Chairman's Announcements**
To receive any announcements that the Chairman may wish to make.
6. **Corporate Performance Report** (*Pages 11 - 40*)
To receive a report from the Corporate Performance and Improvement Manager and the Corporate Manager for People, Performance & Waste providing Members with an update on performance against the Corporate Plan and local service targets for quarter 3 (2022/2023).
7. **Corporate Risk Report** (*Pages 41 - 52*)
To receive a report from the Corporate Performance and Improvement Manager
8. **Risk Management Policy** (*Pages 53 - 64*)
To receive a report from the Corporate Performance and Improvement Manager and the Corporate Manager for People, Governance & Waste presenting the Committee with the updated Risk Management Policy for approval.
9. **Internal Audit Progress Report** (*Pages 65 - 82*)
To receive the Devon Audit Partnership Internal Audit Progress Report.
10. **Internal Audit Charter and Strategy** (*Pages 83 - 102*)
To receive and approve the Devon Audit Partnership Internal Audit Charter and Strategy.
11. **DAP Internal Audit Plan 2023 - 2024** (*Pages 103 - 116*)
To receive the Devon Audit Partnership Internal Audit Plan for 2023 – 2024.

12. **Access to Information - Exclusion of the Press and Public**
Discussion with regard to the next item, may require the Committee to pass the following resolution to exclude the press and public having reflected on Article 12 12.02(d) (a presumption in favour of openness) of the Constitution. This decision may be required because consideration of this matter in public may disclose information falling within one of the descriptions of exempt information in Schedule 12A to the Local Government Act 1972. The Committee would need to decide whether, in all the circumstances of the case, the public interest in maintaining the exemption, outweighs the public interest in disclosing the information.
- Recommended that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the next item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 respectively of Part 1 of Schedule 12A of the Act, namely information relating to the financial or business affairs of any particular person (including the authority holding that information)
13. **Cyber Security Report 2022-2023** *(Pages 117 - 144)*
To receive the Devon Audit Partnership Cyber Security Audit for 2022 – 2023.
14. **External Audit Progress Report**
To receive a verbal update from Grant Thornton on the 2021/2022 Financial Statement audit, the 2021/2022 Value For Money opinion and the 2021/2022 Certification work.
15. **Chairman's Annual Report for 2022/2023** *(Pages 145 - 146)*
To receive the Chairman's Annual Report on the work of the Committee during 2022/2023.
16. **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:
- Election of Chairman for 2023/2024
 - Election of Vice Chairman for 2023/2024
 - Start time of meetings
 - Performance and Risk
 - AGS Action Plan update
 - DAP Internal Audit Outturn Report for 2022/2023
 - Internal Audit Progress Report
 - External Audit Progress Report and Sector Update
 - External Audit Plan for 2023/2024 (tbc)

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

Stephen Walford
Chief Executive
Monday, 20 March 2023

Meeting Information

From 7 May 2021, the law requires all councils to hold formal meetings in person. The Council will enable all people to continue to participate in meetings via Zoom.

If you want to ask a question or speak, email your full name to Committee@middevon.gov.uk by no later than 4pm on the day before the meeting. This will ensure that your name is on the list to speak and will help us ensure that you are not missed. Notification in this way will ensure the meeting runs as smoothly as possible.

Please note that a reasonable amount of hardcopies at the meeting will be available, however this is a limited number. If you are attending the meeting and would like a hardcopy of the agenda we encourage that you notify Member Services in advance of the meeting to ensure that a hardcopy is available. Otherwise, copies of the agenda can be found on our website.

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Public Wi-Fi is available in all meeting rooms

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **AUDIT COMMITTEE** held on 24 January 2023 at 5.30 pm

Present

Councillors

N V Davey (Chairman)
J Buczkowski, Mrs C Collis, R Evans,
R F Radford, R L Stanley, Mrs N Woollatt
and A Wyer

Apology

Councillor

A White

Also Present

Councillors

S J Clist, D R Coren, Mrs C P Daw and B G J Warren

Also Present

Officers

Andrew Jarrett (Deputy Chief Executive (S151)), Paul Deal (Corporate Manager for Finance), Dean Emery (Corporate Manager for Revenues, Benefits and Recovery), Paul Middlemass (Audit Manager), Sarah Lees (Member Services Officer) and Carole Oliphant (Member Services Officer)

Also in

Attendance

Peter Barber (Grant Thornton and Ken Johnson (DAP)

47. **APOLOGIES**

Cllr Alex White sent his apologies for the meeting.

It was **NOTED** that Cllrs C Collis and N Woollatt had attended the meeting via Zoom.

48. **PUBLIC QUESTION TIME**

The following question was received from Mr Nick Quinn, a local resident:

Regarding Agenda Item 10 – Grant Thornton Audit Findings

On page 19 of the Grant Thornton Audit Findings (that is on Page 271 of the Committee papers), in the penultimate paragraph, there is mention of a letter of support for 3 Rivers.

The External Auditors state: "*We understand that a letter of continued support has been requested from the Council and that this is being provided.*"

My questions are:

Q1. Has this letter of continued support been provided?

Q2: If so, who signed off on this letter?

Q3: If so, was Audit Committee informed before the letter was provided?

Thank you

The Deputy Chief Executive (S151) confirmed that a 'letter of continued support' had not yet been provided, therefore the answers to questions 2 and 3 became redundant. He further explained that a special meeting of the Cabinet would take place on Tuesday 31 January 2023 where the future plans for 3 Rivers would continue to be discussed and decided upon.

49. DECLARATION OF INTERESTS UNDER THE CODE OF CONDUCT

No interests were declared under this item.

50. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 22 November 2022 were confirmed as a true record and signed by the Chairman.

51. CHAIRMAN'S ANNOUNCEMENTS

The Chairman had no announcements to make.

52. ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY & STRATEGY (00:08:00)

The Committee had before it a report * from the Deputy Chief Executive (S151) and the Corporate Manager for Revenues, Benefits, Corporate Recovery, Planning, Planning Enforcement, Economic Development, Forward Planning, Welfare & Anti-Fraud and Corruption presenting the reviewed and updated policy for Anti-Fraud, Bribery and Corruption and the Anti-Fraud and Corruption Strategy/Response Strategy for approval.

It was explained that the renewed policy and strategy followed best practice and was now more aligned with the Devon Audit Partnership as a whole providing dedicated specialist advisers to provide support and advice when needed.

Discussion took place with regard to:

- It was requested that the contact details on the website be updated.
- Benefit fraud was dealt with separately to other types of fraud by the Department for Work and Pensions (DWP).
- Nationally, fraud in the region of £190 billion took place each year.

RESOLVED that:

- a) The revised Anti-Fraud, Bribery and Corruption Policy and the strategy/response plan be approved.

- b) The Corporate Manager for Revenues, Benefits, Corporate Recovery, Planning, Planning Enforcement, Economic Development, Forward Planning, Welfare & Anti-Fraud and Corruption, be given delegated authority to make minor amendments to these documents e.g. changes to job titles.

(Proposed by the Chairman)

Reason for the decision

As set out within the report.

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

53. INTERNAL AUDIT PROGRESS REPORT 2022 - 2023 (00:17:00)

The Committee received, and **NOTED**, a report * from the Devon Audit Partnership which highlighted the following:

- The first half of the report concerned the audits that had taken place since the last meeting and the second half discussed the Counter Fraud Resilience and Assessment Report.
- There had been 9 'reasonable' assurance opinions given, 3 'substantial' and one 'limited'.
- Summaries, risk exposure and management actions were provided in Appendix one with regard to the following areas: Treasury Management, Car Parks, Grounds Maintenance, Customer Care and Complaints, Capital Asset Management and Void Management Arrangements.
- A list had been provided of the current and overdue audit recommendations, however, it was explained that DAP were working with the new Performance Manager in order to ensure progress on the recommendations going forwards.

Discussion took place regarding:

- Concerns regarding the risks associated with Cyber Security. An audit had just been completed on this area and a report would be brought to the next meeting. It was further confirmed that robust testing was undertaken on a regular basis.
- Concerns regarding the length of time it was taking to re-let Council properties upon vacation. It was confirmed that Covid, the cost of living crisis, the cost and availability of materials, new regulations and the decarbonisation agenda was having a significant effect upon timescales.
- Concerns regarding pre-void inspections and whether all properties were inspected or only targeted ones. A breakdown was requested and it was confirmed that this information would be provided at a later date once the relevant officers had been contacted. It was further confirmed that DAP would be undertaking a review of the Voids area in 6 months time.
- The scale of fraud, nationally, was enormous. Of all recorded crime, 41% related to fraud. Local authorities were working together to determine and implement best practice in an effort to combat fraud. A Public Sector Fraud Authority had been created. The Council would continue to monitor this area and report regularly to the Audit Committee.

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

54. **MEETING MANAGEMENT (00:50:00)**

The Chairman informed the meeting that he would be taking the Grant Thornton Findings report as the next item of business followed by the Statement of Accounts and Annual Governance Statement in that order.

55. **GRANT THORNTON AUDIT FINDINGS (00:51:00)**

The Committee had before it, and **NOTED**, a report * from Grant Thornton setting out their findings from the 2021/22 external audit.

The following was highlighted within the report:

- Their opinion on the Council's accounts had been provided later than planned due to a number of reasons such as capacity issues and changes to statutory regulations meaning more audit work was needed in order to complete the audit. Nationally, only 12% of audits had met stated deadlines.
- A small number of queries remained to be resolved, however, it was anticipated that an unqualified audit opinion on the Financial Statements would be issued after this meeting.
- Regarding the Group Accounts they were still waiting for the 3 Rivers Auditors Report which had been held up by the Business Plans needing to be decided by a special meeting of the Cabinet the following week. Grant Thornton could not issue an opinion until then.
- To date there had been no material errors within the Financial Statements, risk was driven by materiality and this was a key area of their audit work.
- The auditors had identified a small number of errors within the 3 Rivers accounts which they had requested be adjusted for and 3 Rivers had agreed to make the necessary changes.
- Whether a company or 'an entity' was a 'Going Concern' was a key consideration within the issuing of a final opinion. Grant Thornton were confident that the Council could meet its obligations within 12 months time.
- An estimation difference had been identified which had arisen as part of Grant Thornton's debtors testing, specifically long term debtors. A figure of £128k had been identified by Grant Thornton meaning that the Council had a slightly longer long term debtor than was being disclosed. This would be more money that would be received in due course. This was not material to the accounts but needed to be formally minuted.
- Work was underway on the Value for Money opinion which had a slightly later deadline than the Statement of Accounts. A draft report would be with officers by the end of February.
- An 'Emphasis of Matter' was explained as an opinion the 3 Rivers auditors may wish to make.

Consideration was given to:

- Whether the Council would still be classed as a 'Going Concern' should 3 Rivers be wound up.
- Whether further adjustments in relation to the Impairment figures would need to be made.

The Committee requested that their disappointment at the delay's involved in the Cabinet reaching a decision about the future of 3 Rivers be referred back to the Cabinet as soon as possible. It was the Committee's opinion that a decision should have been reached in a much more timely fashion in order to inform the budget for next year.

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

56. **FINAL STATEMENT OF ACCOUNTS 2021 - 2022 (01:22:00)**

The Committee received a report * from the Deputy Chief Executive presenting the final version of the annual Statement of Accounts to Members following the conclusion of the external audit.

It was confirmed by the Deputy Chief Executive (S151) that an unqualified opinion was intended to be issued on the Financial Statements and that all recommended adjustments would be made.

RESOLVED that the annual Statement of Accounts for 2021/22 be approved and that the Letter of Representation be signed by the appropriate people.

(Proposed by the Chairman)

Reason for the decision:

There was a legal requirement to produce and publish audited accounts for the year to 31 March 2022 and for those accounts to be considered and approved by the Audit Committee.

Note: (i) * Report and Statement of Accounts circulated previously.

(ii) Cllr Stanley declared a personal interest in that he was a Director of 3 Rivers abstained from voting.

57. **ANNUAL GOVERNANCE STATEMENT ACTION PLAN UPDATE (01:30:00)**

The Committee had before it a report * presenting the Annual Governance Statement which provided Members with the results of a yearly assessment of how well the Council was identifying, assessing, managing and controlling risks, achieving its aims and meeting the responsibilities it had by law.

A draft version of this report had been brought to the Committee earlier in the year and since then a small amendment had been made regarding external inspections as stated in section 6.3 of the report.

RESOLVED that the Annual Governance Statement for 2021/22 be approved.

(Proposed by Cllr B Evans and seconded by Cllr J Buczkowski)

Reason for the decision

As set out within the report.

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

58. **PROCUREMENT PARTNERSHIP (01:32:00)**

The Committee had before it a report * from the Deputy Chief Executive (S151) presenting the revised draft Procurement Strategy requesting that it be recommended to the Cabinet for approval.

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

- The previous Procurement Strategy had been drawn up 4 years ago in partnership with other local authorities, however, the revised Strategy now aligned with the Devon County Council Strategy as a whole but was also tailored to Mid Devon.
- A follow on document would be forthcoming which would need to be embedded within the Strategy.
- Significant changes in legislation were expected as a result of Britain coming out of the European Union and therefore further changes to the Strategy would probably be needed. The document would therefore be kept under review.
- An audit on the Procurement area was currently being undertaken.

The Committee had been impressed by the format of the report before them and wished to thank the officers.

RECOMMENDED to the Cabinet that the revised Procurement Strategy be approved by the Cabinet

(Proposed by the Chairman)

Reason for the decision

As set out within the report

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

59. **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (01:37:00)**

RESOLVED: That the items listed be **NOTED** and that it was anticipated that Grant Thornton would be able to bring a Value For Money opinion to the next meeting.

(The meeting ended at 7.08 pm)

CHAIRMAN

AUDIT COMMITTEE
28 MARCH 2023

CORPORATE PERFORMANCE REPORT

Cabinet Member Cllr Barry Warren, the Leader of the Council.
Responsible Officers Dr Stephen Carr, Corporate Performance and Improvement Manager.
Matthew Page, Corporate Manager for People, Performance & Waste.

Reason for Report: To provide Members with an update on performance against the corporate plan and local service targets for quarter 3 (2022/23).

RECOMMENDATION: That the Committee reviews and scrutinises the Performance Indicators detailed in this report.

Relationship to Corporate Plan: Corporate Plan priorities and targets are managed and scrutinised on a regular basis using appropriate performance indicators as detailed in this report.

Financial Implications: There are no direct financial implications arising from this report. However, if performance is not at the expected or desired level then resources may need to be reviewed or redirected to improve performance.

Legal Implications: There are no direct legal implications arising from this report. However, if the performance of some indicators is not at required levels, there is a risk of legal challenge.

Risk Assessment: If performance is not managed we may not meet our corporate and local service plan targets or take appropriate corrective action.

Equality Impact Assessment: Customer feedback can help the council identify any groups of people who may potentially be experiencing a less satisfactory level of service. When reviewing performance and making recommendations on priorities, the Council should be mindful to consider how services might impact on different sections of the community.

Impact on Climate Change: Several performance indicators are related to our corporate ambition to reduce carbon emissions. Managing the performance of these can help evaluate the impact of Council interventions as well as guide future decisions on spend and investment.

1.0 Introduction

- 1.1 The council's Corporate Plan was adopted in February 2020. It sets out the council's aims and priorities, and provides an explanation of the council's thinking and the key actions it would deliver on these priorities.
- 1.2 Appendices 1-5 provide Members with details of performance against the Corporate Plan and local service targets for quarter 3, financial year 2022/23. This spans the period April 2022 to December 2022. Where available, information up to February 2023 has been included.

2.0 Performance Analysis

Environment Appendix 1A

- 2.1 Levels of residual waste collected per household continues to perform ahead of target for the year to date (Figure 1). Between April and December, the level of residual waste collected has decreased by almost 10% from 2021/22 to 2022/23.

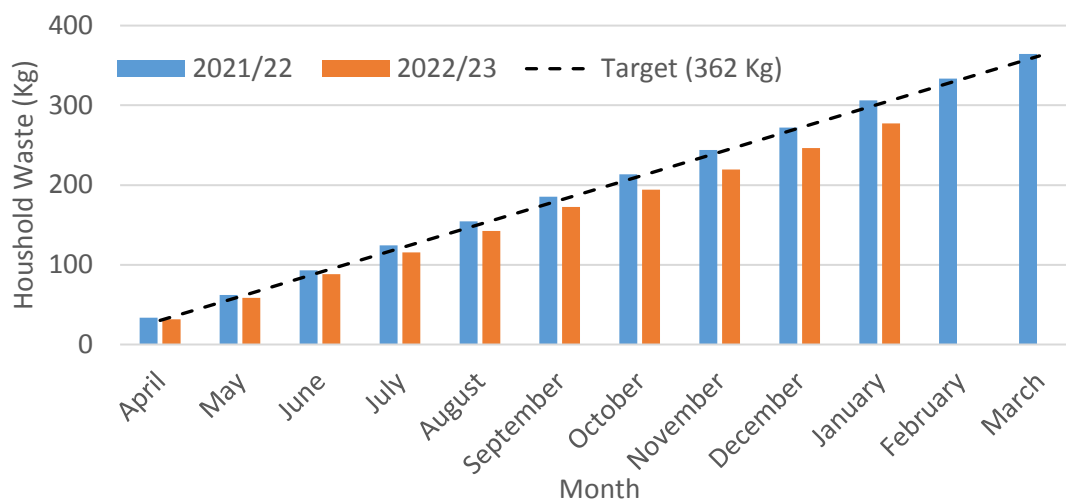


Figure 1: Residual Waste per Household (Kg), 2021/22 to present.

- 2.2 Household waste recycled in the financial year to date is 55.2% (April to December 2022), and is above target (54.5%). The recycling rate for January 2023 was 55.27%, an increase of 2.67 percentage points compared to January 2022.
- 2.3 Households opted into chargeable Garden Waste collections is 11,872 (December 2022) compared to 11,695 last year (December 2021).
- 2.4 Levels of missed bin collections increased over the winter as bad weather affected the waste collection schedule, missed refuse and organic waste collections and missed recycling collections are both performing below target.
- 2.5 The Council introduced the Bin-It 123 collection cycle in Autumn 2022 which should improve recycling rates, decrease the amount of waste collected and in turn reduce the carbon impact, and decrease emissions from our collection vehicles. It will also help the Council to meet Government guidelines to recycle 65% of household waste by 2035 and Devon's proposed 60% target rate by 2025.
- 2.6 Seventeen fixed penalty notices (Environment) have been issued (April to December 2022). One of the objectives for the Environment and Enforcement service is to educate the public and ensure a balanced and proportionate approach to enforcement activity. This will enable the service to build public confidence in our enforcement practice.

Climate Change Appendix 1B

- 2.7 To date, the Council has installed three electric vehicle charger units, each with two charging points. A further five charger units are due to be installed by the end of the financial year, taking the total to eight (16 charging points). The number of charging point uses continues to increase, Figure 2.

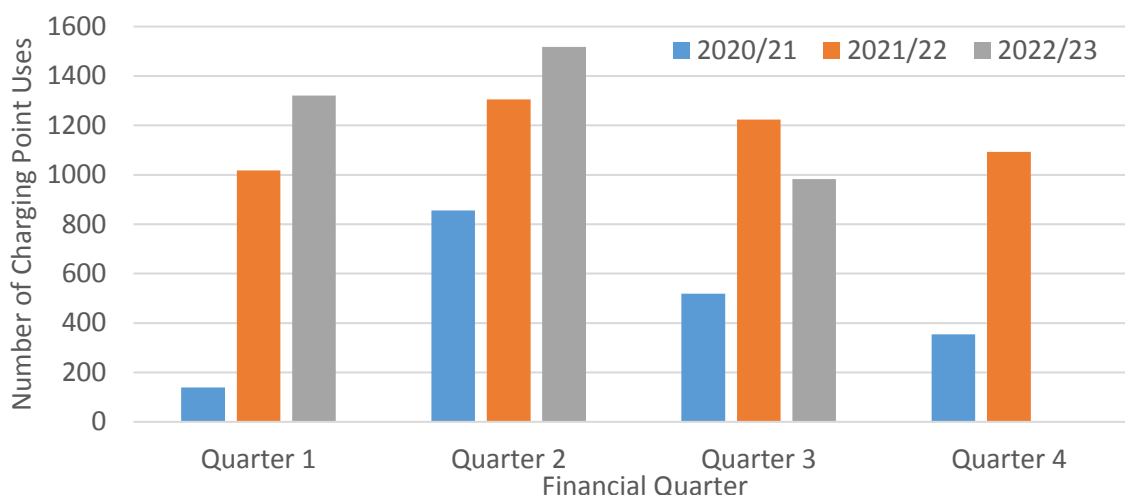


Figure 2: Electric Vehicle Charge Point uses per quarter, 2020/21 to present

- 2.8 Approximately half of Mid Devon District Council's building electricity supply is on a 100% renewable electricity tariff (Phoenix House, Exe Valley, and Tiverton Pannier Market. A proposal for a hydro project on the River Exe is a live planning application at present.

Homes Portfolio - Appendix 2

- 2.9 The number of empty houses brought back into use for the year to date is 12 (April to December 2022). A new Housing Initiatives Officer has been appointed and this post will focus on empty houses, as well as other projects. It is expected that more homes will be brought back into use later in 2022/23.
- 2.10 The number of households who considered themselves as homeless that approached the Council's housing advice service for Quarter 3 was 190 (633 households year to date), Figure 3.

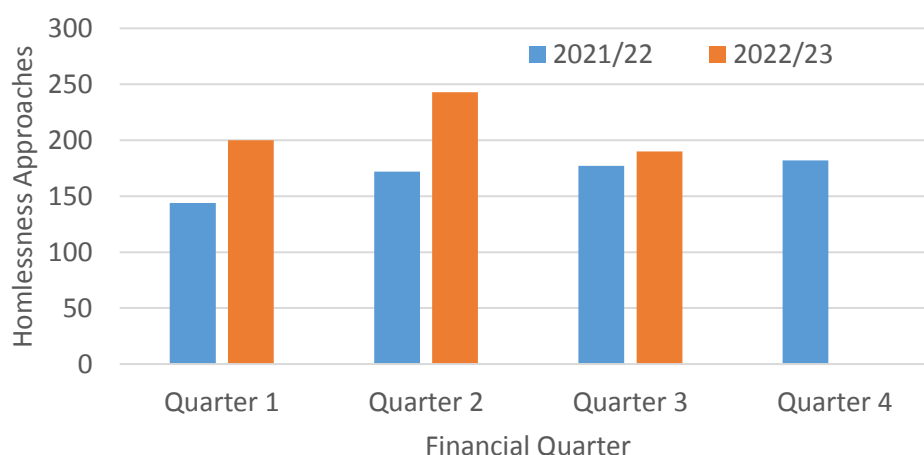


Figure 3: Homelessness approaches per quarter, 2021/22 to present.

- 2.11 The data for Council Housing shows overall good performance for Quarter 3, 2022/23 (October to December), Table 1.

Table 1: Council housing performance indicators, October to December 2022.

Indicator	Oct	Nov	Dec
Emergency repairs completed on time	100%	100%	99.7%
Urgent repairs completed on time	99%	99%	99%
Routine repairs completed on time	98%	98%	98%
Properties with a valid gas safety certificate	99%	99%	99%
Housing complaints responded to on time	100%	100%	100%

Economy Portfolio - Appendix 3

- 2.12 The number of empty business properties is measured by the number of national non-domestic rates (NNDR) accounts receiving empty property relief. There were 249 empty business properties in December 2022, Figure 4.

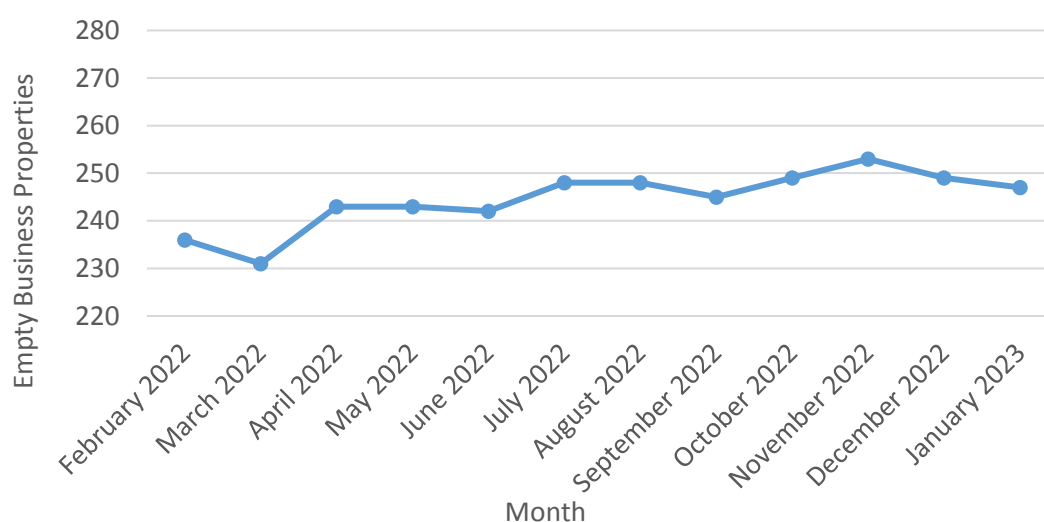


Figure 4: Number of empty business properties, last 12 months.

- 2.13 The number of regular traders at the Pannier market is 86% for Quarter 3, ahead of a target of 85%. This represents a steady increase, Table 2.

Table 2: Regular Traders at the Tiverton Pannier market, 2021/22 to present

Financial Year	Quarter	Regular Traders
2021/22	1	75%
	2	80%
	3	82%
	4	82%
2022/23	1	85%
	2	86%
	3	86%

Community Portfolio - Appendix 4

- 2.14 There have been 337 complaints this financial year (April 2022 to January 2023). The performance of resolving complaints within the target timescale is detailed at Figure 5.

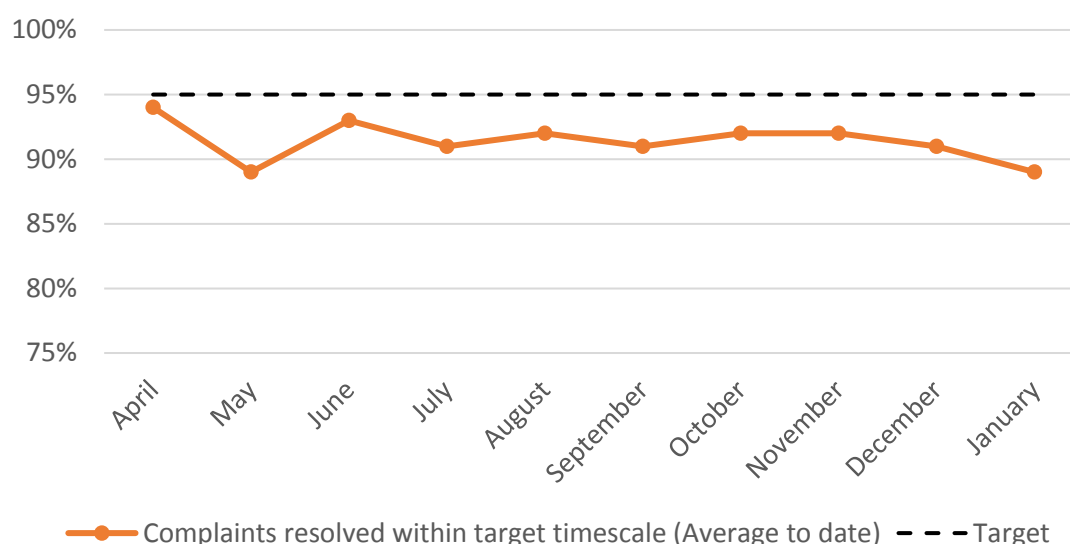


Figure 5: Complaints resolved within the target timescale (10 days – 12 weeks), 2022/23.

- 2.15 Health Referral Initiative starters is 111 for the year to date (April 2022 to January 2023), higher than at the same point in 2021/22 (74). The number of Health Referral Initiative Completers is currently 56 (January 2023) and the number of Health Referral Initiative Conversions is 28.

Corporate - Appendix 5

- 2.16 Council Tax collected on a monthly basis is currently at 91.0% (January 2023), and the National Non Domestic Rate (NNDR) collected on a monthly basis is 86.9% (January 2023).
- 2.17 The number of working days/ shifts lost due to staff sickness absence per full time equivalent employee is 3.76% for the financial year to date (December 2022). This is higher than at the same point last year, 2.96% (December 2021).
- 2.18 Staff turnover at the Council for the year to date is 15.88% (December 2022), Figure 6.

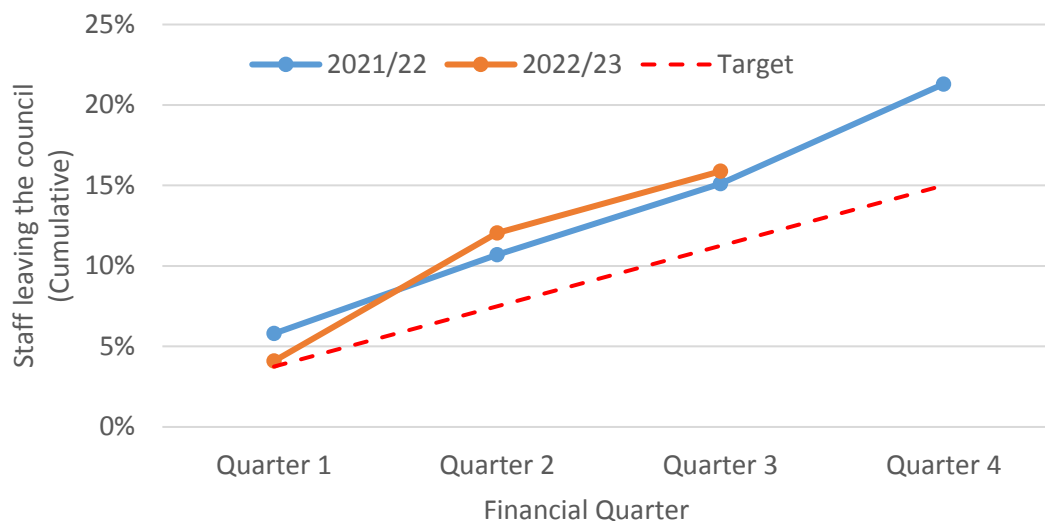


Figure 6: Staff Turnover per financial quarter (Cumulative year to date), 2021/22 to present.

3.0 Conclusion and Recommendation

- 3.1 That the Committee reviews and scrutinises the Performance Indicators detailed in this report.

Contact for more Information: Matthew Page, Corporate Manager for People, Performance & Waste mpage@middevon.gov.uk; Dr Stephen Carr, Corporate Performance & Improvement Manager scarr@middevon.gov.uk

Circulation of the Report: Leadership Team and Cabinet Member

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Corporate Plan PI Report Environment

Monthly report for 2022-2023
Arranged by Aims
Filtered by Aim: Priorities Environment
For MDDC - Services

Key to Performance Status:

Performance Indicators:

No Data

Well below target

Below target

On target

Above target

Well above target

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

Corporate Plan PI Report Environment

Priorities: Environment

Aims: Increase recycling and reduce the amount of waste

Performance Indicators

Page 17

Entity	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	Corporate Team Manager	Officer Notes
<u>Residual Waste per Household (Kg; figures have to be verified by DCC)</u>	364.5	362.0	31.6	58.6	88.4	115.5	142.6	172.6	194.0	219.3	246.4	277.3			Darren Beer	(April - January) A reduction of 10% compared to January 2022 (LD)
<u>Fixed Penalty Notices Issued (Environment)</u>	0		0	0	2	2	4	6	12	16	17	28	31		Matthew Page	(June) Two FPNs relate to the abandonment of vehicles on a public highway. Both were issued in accordance with the Refuse Disposal (amenity) Act 1978. This type of FPN is a first for MDDC and are in line with the relevant legislation and put us on par with many other English authorities. As an authority, we are looking

Corporate Plan PI Report Environment

Priorities: Environment

Aims: Increase recycling and reduce the amount of waste

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
																to balance our enforcement of environmental crimes with an educational approach. This is supported by Defra guidance who encourage proportionate, targeted, consistent, effective and transparent approaches to environmental crime enforcement. (LH)
<u>Household Waste Reused, Recycled and Composted (%: figures have to be verified by DCC)</u>	53.4%	54.5%	51.9%	54.5%	54.3%	54.9%	54.6%	54.7%	55.3%	55.7%	55.2%	55.1%			Darren Beer	(January) The recycling rate of 55.27% has increased by 2.67 percentage points compared to January 2022. There has been an increase in leaf sweepings/garden waste and card collected this year compared to January 2022. (LD)
<u>Households on Chargeable Garden Waste</u>	11,882	11,300	11,800	12,051	11,961	11,893	11,980	12,018	11,985	11,927	11,872	11,950			Darren Beer	(January) An additional 259 customers compared to January 2022 (LD)
<u>Missed refuse and organic waste collections reported (%)</u>	0.02%	0.03%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.03%	0.04%	0.04%	0.04%			Darren Beer	(January) Bad weather seriously affected the waste collection schedule during January 2023 (LD)
<u>Missed Recycling Collections logged (%)</u>	0.03%	0.03%	0.03%	0.03%	0.02%	0.03%	0.02%	0.02%	0.03%	0.03%	0.03%	0.04%			Darren Beer	(January) Bad weather seriously affected the waste collection schedule during January 2023 (LD)

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Corporate Plan PI Report Climate Change

Monthly report for 2022-2023

Arranged by Aims
Filtered by Aim: Priorities Climate Change
For MDDC - Services

Key to Performance Status:

Performance Indicators:

No Data

Well below target

Below target

On target

Above target

Well above target

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

Corporate Plan PI Report Climate Change

Priorities: Climate Change

Aims: Green Sources of Energy

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Electric Car Charger usage (Number of uses)</u>	4,639	2,300	n/a	n/a	1,321	n/a	n/a	2,839	n/a	n/a	3,822	n/a	n/a		Andrew Busby	(Quarter 4) January = 297; February TBC; March TBC. (JB)
<u>Electric Car Charger Units</u>	3	8	n/a	n/a	3	n/a	n/a	3	n/a	n/a	3	n/a	n/a		Andrew Busby	(Quarter 2) During 2020 Instavolt installed 3x 'rapid' charger units (each with 2 chargepoints) at MDDC leisure centres. Sites: Lords Meadow, Exe Valley and Culm Valley. Instavolt is the operator and leaseholder. More units are due to be installed at 5 MDDC car parks this financial year (2022-2023) by Gamma Energy (operator and leaseholder) as part of the Deletti partnership project. (JB)

Aims: Biodiversity

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Corporate Tree Planting Scheme</u>	650	500	n/a	n/a	0	n/a	n/a	0	n/a	n/a	0	n/a	n/a		Andrew Busby	(Quarter 4) On MDDC land, 92. (JB)

Corporate Plan PI Report Climate Change

Priorities: Climate Change

Aims: Biodiversity

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Community climate and biodiversity grants</u>	No		n/a	n/a	No	n/a	n/a	No	n/a	n/a	No	n/a	n/a		Andrew Busby	(Quarter 3) Submitted as a priority for budget spend. (JB)

Aims: Retro-fitting measures

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Corporate Renewable Energy Projects</u>	8	4	n/a	n/a		n/a	n/a	3	n/a	n/a	3	n/a	n/a		Andrew Busby	(Quarter 4) 2020/2021: > Carlu Close solar PV project completed. 2021/2022: > Retrofit of Air Source Heat Pump (ASHP) at Lords Meadow Leisure Centre. > Retrofit energy saving light installations at all 3 leisure centres. > Retrofit energy saving lighting measures installed at Tiverton multi-storey car park. 2022/2023: > 100% renewable electricity tariff (REGO backed) for approximately half of MDDC buildings supply (comprising 3 supply locations: Phoenix House; Exe Valley; Pannier Market). > The proposal for a hydro project in the River Exe is a live planning application at present. >

Corporate Plan PI Report Climate Change

Priorities: Climate Change

Aims: Retro-fitting measures

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
																Retrofit LED lighting units installation in progress for all-weather pitches at leisure centres.
																> February 2023. Progress update. The £2.8m Phase 3 project at Exe Valley Leisure Centre and Lords Meadow Leisure Centre is nearing completion. So far the retrofit installation of Air Source Heat Pump (ASHP) and Ground Source Heat Pump (GSHP) has been completed; a new, larger buffer vessel has been installed to optimise the biomass boiler contribution to the heating system; solar PV panel arrays will be extended; the combination of heating/cooling systems and final commissioning is yet to be done. (JB)
<u>Housing Assistance Policy (Retro-fit schemes supported)</u>	28	5	0	3	7	7	8	9	9	9	9	9	9		Simon Newcombe	
<u>Home Improvement Loans sanctioned</u>	5	10	n/a	n/a	2	n/a	n/a	4	n/a	n/a	7	n/a	n/a		Simon Newcombe	

Aims: Other

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Community Schemes (Environmental)</u>	8	4	n/a	n/a	8	n/a	n/a	17	n/a	n/a	17	n/a	n/a		Andrew Busby	(Quarter 2) No allocated budget for this work. Actively engaging with community networks / groups / individuals - also local farmers and other enterprises with a green agenda / project / exemplar. Proactively promoting the sustainability projects and activities of community schemes on the Sustainable Mid Devon website (resource map, events and news, etc.). Community groups /networks / projects e.g.:

Corporate Plan PI Report Climate Change

Priorities: Climate Change

Aims: Other

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
																<p>Blackdown Hills Transition; Connecting the Culm; Exeter Community Energy; Mid Devon Parish Wildlife Warden Scheme; New Prosperity Devon; Sustainable Bradninch; Sustainable Crediton; Sustainable Tiverton; Uffculme Green Team; Liaison with Community Action Groups (CAG) Devon to help reach out to groups and pick up on opportunities.</p> <p>Liaison with Exeter Community Energy to help promote their services and voluntary role training.</p> <p>The Climate and Sustainability Specialist was actively involved in the concept stages of the 'Net Zero Visions' public artwork project hosted near the Pannier Market (led by Sustainable Tiverton).</p> <p>The Climate and Sustainability Specialist developed and coordinated the MDDC 2022 State of the District Debate - this involved pre-event engagement with networks / groups / individuals / local farmers / farming advisors / enterprises / partnerships. Pre-event workshops and event debate involved e.g. Carbon Savvy, Heathcoat Fabrics Ltd, Exeter Community Energy, bike shops, tourism sector, Co-Cars, growers and farmers, farming advisors, the Soil Association, community food growing and composting, local food suppliers, and several of community groups listed earlier.</p> <p>Devon County Show: worked with Recycle Devon and Devon Climate Emergency. Topical theme: re-use, repair, exchange, upcycle.</p> <p>Mid Devon Show: Councillors joined multiple staff teams to promote sustainability messages on: sustainable farming</p>

Corporate Plan PI Report Climate Change

Priorities: Climate Change

Aims: Other

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
																<p>and landscapes (nature-based solutions for climate adaptation and flood resilience at a landscape scale); housing (passivhaus design in proposed affordable and social housing); waste and recycling (Bin-It 123); active travel; what the Council is doing to shrink its carbon footprint; what makes up your carbon footprint. Teamwork with Westcountry Rivers Trust, Connecting the Culm, FreeTrike, Mid Devon Housing.</p> <p>The Climate and Sustainability Specialist joined the launch event of the Mid Devon Parish Wildlife Warden Scheme.</p> <p>Sustainability in procurement promoted to staff and communities e.g. by highlighting workshops and joint funding bid opportunities by New Prosperity Devon. (JB)</p>
Council Carbon Footprint (tCO2e)	20,503		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		Andrew Busby	(2022 - 2023) This is an annual KPI, data not available to the end of the financial year (JB)

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Corporate Plan PI Report Homes

Monthly report for 2022-2023
Arranged by Aims
Filtered by Aim: Priorities Homes
For MDDC - Services

Key to Performance Status:

Performance Indicators:

No Data

Well below target

Below target

On target

Above target

Well above target

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

Corporate Plan PI Report Homes

Priorities: Homes

Aims: Deliver Housing

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Additional homes provided (net)</u>	237		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		Simon Newcombe, Tristan Peat	(2022 - 2023) This is an annual KPI therefore data is not due until 31 March 2023 (TP)
<u>Self Build Plots</u>	12	5	n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a		Tristan Peat	(Quarter 4) The officer who collects and manages this data is on long term sick leave. Alternative arrangements are being put in place to collate this data, but it might not be available until Autumn 2023 at the earliest. (SC)
<u>Gypsy & Traveller Pitches delivered</u>	1	2	n/a	n/a	0	n/a	n/a	0	n/a	n/a		n/a	n/a		Tristan Peat	(Quarter 4) The officer who collects and manages this data is on long term sick leave. Alternative arrangements are being put in place to collate this data, but it might not be available until Autumn 2023 at the earliest. (SC)
<u>Number of affordable homes delivered (gross)</u>	24		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		Tristan Peat	(2022 - 2023) This is an annual KPI therefore data is not due until 31 March 2023. The officer who collects and manages this data is on long term sick leave. Alternative arrangements are being put in place to collate this data, but it might not be available until Autumn 2023 at the earliest. (TP)

Corporate Plan PI Report Homes

Priorities: Homes

Aims: Deliver Housing

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Number of Homelessness Approaches</u>	675		n/a	n/a	200	n/a	n/a	443	n/a	n/a	633	n/a	n/a		Simon Newcombe	

Aims: Community Land Trusts

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Community Land Trusts Assisted</u>	1	1	n/a	n/a	0	n/a	n/a	0	n/a	n/a		n/a	n/a		Tristan Peat	(Quarter 2) The Council's Housing Enabler is currently engaged with local communities at Silverton, Shobrooke and Thorverton that are considering setting up CLTs. (TP)

Aims: Private Sector Housing

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Deliver homes by bringing Empty Houses into use</u>	54	72	3	3	5	7	9	12	12	12	12	13	13		Simon Newcombe	(June) New Housing Initiatives Officer post appointed and due to start in July. Post will focus on empty homes as well as other projects. Expect to see more homes brought back into use later in the year (TW)
<u>Houses in Multiple Occupation (HMOs) investigations</u>	100%	100%	100%	75%	83%	88%	90%	92%	93%	94%	94%	95%	95%		Simon Newcombe	(May) The work on the Homes for Ukraine scheme has meant that other areas of work for the team have been put on hold (TW)
<u>Landlord Engagement and Support</u>	14	9	n/a	n/a	2	n/a	n/a	6	n/a	n/a	8	n/a	n/a		Simon Newcombe	(Quarter 2) 3x Pin point 1x Joint event with Exeter (TW)

Aims: Council Housing

Corporate Plan PI Report Homes

Priorities: Homes

Aims: Council Housing

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Emergency Repairs Completed on Time (%)</u>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.7%	99.7%			Simon Newcombe	
<u>Urgent Repairs Completed on Time (%)</u>	99.3%	95.0%	98.3%	99.3%	99.5%	99.0%	98.9%	99.1%	99.1%	99.1%	99.0%	98.9%			Simon Newcombe	
<u>Routine Repairs Completed on Time (%)</u>	98.8%	95.0%	98.8%	99.0%	99.1%	98.7%	97.2%	97.6%	97.9%	98.1%	98.2%	98.1%			Simon Newcombe	
<u>Properties With a Valid Gas Safety Certificate (%)</u>	99%	100.0%	99.1%	99.0%	98.9%	98.8%	98.7%	98.6%	99.0%	99.2%	99.3%	99.6%			Simon Newcombe	(September) We are working to address some performance issues that we are experiencing with the new Contractor. (AH)
<u>Housing Complaints Responded to On Time (%)</u>	98.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		Simon Newcombe	

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Corporate Plan PI Report Economy

Monthly report for 2022-2023
Arranged by Aims
Filtered by Aim: Priorities Economy
For MDDC - Services

Key to Performance Status:

Performance Indicators:

No Data

Well below target

Below target

On target

Above target

Well above target

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

Corporate Plan PI Report Economy

Priorities: Economy

Aims: Incubator and start-up space

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Incubator and Start-up space</u>	0		n/a	n/a	0	n/a	n/a	0	n/a	n/a	0	n/a	n/a		Adrian Welsh	(Quarter 3) Work being de over the next three years.
<u>Sites for Commercial Development</u>	0	1	n/a	n/a	0	n/a	n/a	0	n/a	n/a	0	n/a	n/a		Andrew Busby	(Quarter 3) The same as t

Aims: Improve and regenerate our town centres

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan .
<u>Business rate accounts (Number)</u>	3,426	3,150				3,424	3,431	3,444	3,454	3,493	3,512	3,5
<u>Business</u>	£46,305,114		£46,272,564	£46,272,554	£46,227,164	£46,329,664	£46,341,514	£46,396,964	£46,448,519	£46,659,839	£46,808,389	£46,997,8

Corporate Plan PI Report Economy

Priorities: Economy

Aims: Improve and regenerate our town centres

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan .
<u>Rates (Rateable Value)</u>												
<u>Empty Business Properties</u>	231		243	243	242	248	248	245	249	253	249	2
<u>Tiverton Town Centre Masterplan</u>			n/a	n/a		n/a	n/a		n/a	n/a		1
<u>Cullompton Town Centre Masterplan</u>	Yes		n/a	n/a		n/a	n/a		n/a	n/a		1

Corporate Plan PI Report Economy

Priorities: Economy

Aims: Improve and regenerate our town centres

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan .
<u>Crediton Town Centre Masterplan</u>			n/a	n/a		n/a	n/a		n/a	n/a		
<u>Pannier Market Regular Traders (%)</u>	82%	85%	n/a	n/a	85%	n/a	n/a	86%	n/a	n/a	86%	

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Aims: Community Land Trusts

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Community Land Trusts Assisted</u>	1	1	n/a	n/a	0	n/a	n/a	0	n/a	n/a		n/a	n/a		Tristan Peat	(Quarter 2) The Council's 1 communities at Silverton, 5 setting up CLTs. (TP)

Aims: Digital Connectivity

Corporate Plan PI Report Economy

Priorities: Economy

Aims: Digital Connectivity

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Digital connectivity</u>	0		n/a	n/a	0	n/a	n/a	0	n/a	n/a		n/a	n/a		Adrian Welsh	(Quarter 2) This project is contract through CDS. (JB

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Corporate Plan PI Report Community

Monthly report for 2022-2023

Arranged by Aims

Filtered by Aim: Priorities Community

Filtered by Flag: Exclude: Corporate Plan Aims 2016 to 2020
For MDDC - Services

Key to Performance Status:

Performance Indicators:

No Data

Well below target

Below target

On target

Above target

Well above target

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

Corporate Plan PI Report Community

Priorities: Community

Aims: Health and Wellbeing

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Annual Community Safety Partnership (CSP) Action Plan</u>	15	12	0	0	1	3	3	6	9	9	9	9	11		Simon Newcombe	(February) Warm spaces project; initial review of safeguarding policy (TW)

Aims: Community Involvement

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Complaints resolved within timescales (%; 10 days - 12 weeks)</u>	91%	95%	94%	89%	93%	91%	92%	91%	92%	92%	92%	92%	89%		Lisa Lewis	(February) 50 closed at 1st check (RT)
<u>Complaints (Number)</u>	404		33	66	94	136	179	201	226	262	301	339	404		Lisa Lewis	

Corporate Plan PI Report Community

Priorities: Community

Aims: Leisure Centres

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Health Referral Initiative starters</u>	102	15	11	27	38	48	53	65	71	88	97	111			Corinne Parnall	(January) 14 (K)
<u>Health Referral Initiative completers</u>	58	10	7	19	27	30	39	44	46	50	51	56			Corinne Parnall	(January) 5 (K)
<u>Health Referral Initiative conversions</u>	33	5	3	6	7	10	18	20	21	24	25	28			Corinne Parnall	(January) 3 (K)

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Corporate Plan PI Report Corporate

Monthly report for 2022-2023

Arranged by Aims

Filtered by Aim: Priorities Delivering a Well-Managed Council
For MDDC - Services

Key to Performance Status:

Performance Indicators:

No Data

Well below target

Below target

On target

Above target

Well above target

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

Corporate Plan PI Report Corporate

Priorities: Delivering a Well-Managed Council

Aims: South West Mutual Bank

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>South West Mutual Bank</u>	No		n/a	n/a	No	n/a	n/a	No	n/a	n/a	No	n/a	n/a		Paul Deal, Andrew Jarrett	(Quarter 3) After a recent strategic review of progress light of the changing macro-economic environment, decision has been taken by the SW Mutual Board to suspend all current activities. Therefore it looks increasingly likely that the company will need to be wound up. (F

Aims: Commercial Opportunities

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Industrial Units Cullompton-Kings Mill Industrial Estate (Unit Occupancy)</u>	14	15	n/a	n/a	14	n/a	n/a	14	n/a	n/a	14	n/a	n/a		Andrew Busby	(Quarter 3) Unit 4 a void at present (KA)

Corporate Plan PI Report Corporate

Priorities: Delivering a Well-Managed Council

Aims: Other

Performance Indicators

Title	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	Corporate Team Manager	Offi Not
<u>Sickness Absence (%)</u>	2.73%	2.78%	n/a	n/a	2.73%	n/a	n/a	3.11%	n/a	n/a	3.76%	n/a	n/a		Matthew Page	
<u>Appraisals Completed (%)</u>	62%	100%	n/a	n/a	n/a	n/a	n/a	94%	n/a	n/a	n/a	n/a	n/a		Matthew Page	(Ap Sep At 5 Sep the corr app sho the syst incr 94.4 Awz few hav corr and corr (MF
<u>Total Council Tax Collected - monthly (%)</u>	96.69%	97.50%	11.33%	20.07%	28.75%	37.76%	46.72%	55.57%	64.75%	73.74%	82.21%	91.02%	96.37%		Dean Emery	
<u>Total NNDR collected - monthly (%)</u>	98.62%	97.00%	19.41%	32.24%	41.11%	48.10%	54.65%	62.56%	67.86%	74.62%	80.03%	86.90%	94.68%		Dean Emery	
<u>New Performance Planning Guarantee determine</u>	100%	100%	n/a	n/a	100%	n/a	n/a	100%	n/a	n/a	99%	n/a	n/a		Dean Emery	(Qu This yea peri

Corporate Plan PI Report Corporate

Priorities: Delivering a Well-Managed Council

Aims: Other

Performance Indicators

Title	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	Corporate Team Manager	Offi Not
<u>within 26 weeks</u>																
<u>Major applications overturned at appeal (over last 2 years)</u>	5.53%	10%	n/a	n/a	5%	n/a	n/a	4%	n/a	n/a	3%	n/a	n/a		Dean Emery	
<u>Major Applications Overturned at Appeal (% of Appeals)</u>	2.26%	10%	n/a	n/a	5%	n/a	n/a	4%	n/a	n/a	3%	n/a	n/a		Dean Emery	(Qu 2 of App that App wer ove by t the Insp (CC
<u>Minor applications overturned at appeal (over last 2 years)</u>	0%	10%	n/a	n/a	1%	n/a	n/a	1%	n/a	n/a	1%	n/a	n/a		Dean Emery	
<u>Minor Applications Overturned at Appeal (% of Appeals)</u>	0.78%	10%	n/a	n/a	1%	n/a	n/a	1%	n/a	n/a	1%	n/a	n/a		Dean Emery	(Qu 11 c App that App wer ove by t

Corporate Plan PI Report Corporate

Priorities: Delivering a Well-Managed Council

Aims: Other

Performance Indicators

Title	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	Corporate Team Manager	Offi Not
																the Insp (CC
Response to FOI/EIR Requests (within 20 working days)	100%	100%	98%	99%	99%	99%	99%	99%	99%	99%	99%	99%			Lisa Lewis	(No One nee exte the reqi was con abo exte (EG
Working Days Lost Due to Sickness Absence	7.80days	7.00days	0.53days	1.08days	1.63days	2.47days	3.35days	4.10days	5.02days	6.02days	7.30days	8.14days	8.86days		Matthew Page	(Jur Q1, nun wor day due • Si incl CO' • C(132 • Lo othe rea: 699 (JH
Staff Turnover	21.3%	15.00%	n/a	n/a	4.09%	n/a	n/a	12.05%	n/a	n/a	15.88%	n/a	n/a		Matthew Page	

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**AUDIT COMMITTEE
28 MARCH 2023**

CORPORATE RISK REPORT

Cabinet Member Cllr Barry Warren, the Leader of the Council.
Responsible Officers Dr Stephen Carr, Corporate Performance and Improvement Manager.
Matthew Page, Corporate Manager for People, Performance & Waste.

Reason for Report: To provide Members with an update on Corporate risk for quarter 3 (2022/23).

RECOMMENDATION: That the Committee reviews the Corporate Risk Register and feeds back any areas of concern.

Relationship to Corporate Plan: Effective risk management is crucial to enable the council to mitigate risks to achieving Corporate Plan priorities.

Financial Implications: There are no direct financial implications arising from this report. However, risks which are not mitigated may have financial implications for the council. Equally, the treatment of risk may require resources to be (re)allocated. Having a robust approach to risk management will continue to help the council minimise future financial risks and implications.

Budget and Policy Framework: Produced in accordance with the Risk Management Policy.

Legal Implications: Risk management is an integral part of the Council's Corporate Governance arrangements and there is a statutory responsibility under the Account and Audit Regulations (2015) to put in place risk management arrangements.

Risk Assessment: Failure to take advantage of opportunities and mitigate risks could impact on the Council's ability to deliver its strategic objectives. Assessment of the effectiveness of the framework for identifying and managing risks and for demonstrating clear accountability is a key element of the Council's governance arrangements.

Equality Impact Assessment: Having a council which is resilient to risk means that it is better positioned to support its communities. No issues identified for this report.

Impact on Climate Change: Corporate Risk 3 relates directly to the council meeting its climate change targets.

1.0 Introduction

1.1 Appendix 1 and 2 detail the Corporate Risk Register. These risks have been determined by the council's Leadership Team in consultation with Corporate Managers.

1.2 In a change to previous reporting, corporate risk is now presented as a standalone report to support its effective scrutiny.

2.0 Background

- 2.1 The Corporate Risk Register contains the strategic risks which are most likely to impact the corporate priorities of Mid Devon District Council. It is reviewed at least quarterly by Corporate Managers and the Leadership Team and updated as required. It is then presented to the Audit committee and to Cabinet. Risks are managed on the council's corporate performance and risk management system, SPAR.
- 2.2 The presentation of risk has been updated to bring it in line with best practice, improve accessibility, and to meet the recommendations of internal audit. The risks are now coded and presented on a risk matrix (heat map), Appendix 1. Information on each risk is presented in a standard template, Appendix 2.

3.0 Summary of Corporate Risk

- 3.1 There are currently 10 risks on the Corporate Risk Register:

Risk Name		Risk Owner	Risk Rating
CR1	Culm Garden Village	Adrian Welsh	16
CR2	Cyber Security	Brian Trebilcock	20
CR3	Failure to meet Climate Change Commitments by 2030	Andrew Busby	15
CR4	Homes for Ukraine Scheme	Simon Newcombe	9
CR5	Information Security	Giovanni Wallace	12
CR6	National shortage of chlorine and other chemicals	Lee Chester	4
CR7	Financial Sustainability	Paul Deal	25
CR8	Quality of Planning Committee Decisions	Angharad Williams	16
CR9	SPV – 3 Rivers – Failure of the Company	Paul Deal	25
CR10	Cullompton Town Centre Relief Road	Adrian Welsh	25

- 3.2 For each risk the following information is given in Appendix 2:

- Risk name
- Risk description
- Current risk severity and likelihood
- Current risk rating
- Risk Owner
- Risk Type
- Mitigating actions (including name, description, responsible officer, current effectiveness and when it was reviewed)
- Notes.

- 3.3 Since this report was last presented to committee in November, the following significant changes have been made to the corporate risks being managed:

- The risk rating of CR1 Culm Garden Village has been increased from 12 to 16.

- The risk rating of CR3 Failure to meet Climate Change commitments by 2030 has decreased from 20 to 15 following an evaluation of the risk by Leadership Team.
- The risk rating of CR4 Homes for Ukraine Scheme has decreased from 20 to 9.
- The risk rating of CR6 National shortage of chlorine and other chemicals has decreased from 15 to 4.
- Two financial risks (“Overall Funding Availability” and “Reduced Funding – Budget Cuts”) have been combined as Corporate Risk 7 Financial Sustainability.
- CR8 Quality of Planning Committee Decisions has been added.
- The risk rating of CR9 SPV – 3 Rivers – Failure of the company has been increased from 16 to 25.
- CR10 Cullompton Town Centre Relief Road has been added.

4.0 Conclusion and Recommendation

- 4.1 That the Committee reviews the Corporate Risks detailed in this report and feeds back any areas of concern.

Contact for more Information: Matthew Page, Corporate Manager for People, Performance & Waste mpage@middevon.gov.uk; Dr Stephen Carr, Corporate Performance & Improvement Manager scarr@middevon.gov.uk

Circulation of the Report: Leadership Team and Cabinet Member

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Corporate Risk Matrix

<div><div></div><div></div><div></div><div></div><div></div></div> <div>Risk Severity</div>	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5

Corporate Risk Register

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CR1	Culm Garden Village	Current Severity	Current Likelihood	Current Risk Rating
		4	4	16
Risk Description: Possible discontinuance of Government funding support.				
Risk Owner: Adrian Welsh		Risk Type: Economic/ Financial		
Mitigating Actions		Responsible Officer	Current Effectiveness	Review Date
CR1.1	Funding opportunities : Lobby for the creation of further funding opportunities and for further rounds of the garden communities capacity funding	Adrian Welsh	Satisfactory	10/03/2023
CR1.2	Further bids for capacity funding: To continue to secure external funding to support the project	Tristan Peat	Satisfactory	10/03/2023
Notes: Current uncertainty with regard to future capacity funding support. Discussions are ongoing with Homes England				
CR2	Cyber Security	Current Severity	Current Likelihood	Current Risk Rating
		5	4	20
Risk Description: 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.				
Risk Owner: Brian Trebilcock		Risk Type: Data Protection/Information Security		
Mitigating Actions		Responsible Officer	Current Effectiveness	Review Date
CR2.1	Audit of Cyber Security: Devon Audit Partnership will be carrying out a cyber security audit during August and September.	Lisa Lewis	Fully Effective	03/03/2023
CR2.2	Awareness training and desktop cyber event testing: National Cyber Security Centre (NCSC) staff/ Member training now mandatory. Cyber SharePoint site created. A cyber desktop exercise planned summer to test Disaster Recovery/Cyber planning/response with Local Government Association/Emergency Planning College will include participation at Director/Member level - schedule tbc.	Lisa Lewis	Satisfactory	03/03/2023

	An ICT/InfoGovernance board to commence after the May local elections which will meet quarterly to monitor cyber/data related activities and manage/monitor risk at senior levels.			
Notes:				

CR3	Failure to meet Climate Change Commitments by 2030	Current Severity	Current Likelihood	Current Risk Rating	
		3	5	15	
Risk Description: Due to a variety of factors, there is a risk that the Council will not meet its goal of becoming carbon neutral by 2030.					
Risk Owner: Andrew Busby		Risk Type: Environmental			
Mitigating Actions		Responsible Officer	Current Effectiveness	Review Date	
Page 47	CR3.1	Policy and Strategy: Published policy relevant to the climate emergency includes: <ul style="list-style-type: none">• The MDDC Corporate Plan 2020-2024 with a number of aims relevant to the Climate and Sustainability agenda;• Climate Strategy and Handbook 2020-2024;• The Mid Devon Housing Strategy 2021-2025;• The MDDC Sustainable Procurement Strategy (2023);• The Local Plan (an interim planning policy statement responding to the climate emergency has undergone public consultation and will be presented for adoption).	Jason Ball	Satisfactory	08/03/2023
	CR3.2	Oversight and decision-making: To embed a consistent approach to committee reports, project reports and decision-making, considering the potential climate impacts and opportunities and adaptation needs linked to the climate crisis.	Jason Ball	TBC	08/03/2023
Notes: Based on an evaluation of all the corporate risks at a Leadership Team meeting, the current severity was reduced from 4 to 3, resulting in the overall current risk rating decreasing from 20 to 15. Climate and Sustainability (C&S) strategy and action plans in place, adopted by Council. Actions in the Climate Action Plan (CAP) 2020-2030 involves all Corporate and Operations Managers and includes estimates of costs and savings in tCO2e and financial terms. The CAP enables the Council to identify, evaluate and prioritise measures for implementation and monitoring.					

CR4	Homes for Ukraine Scheme	Current Severity	Current Likelihood	Current Risk Rating
		3	3	9
Risk Description: There is a risk of the ‘Homes for Ukraine scheme’ failing should the host relationship breakdown and re-matching is not an option. Where refugees cannot afford to pay for private accommodation the Council has a Homelessness Duty.				
Risk Owner: Simon Newcombe		Risk Type: Social		
Mitigating Actions		Responsible Officer	Current Effectiveness	Review Date
CR4.1	Collaboration: Continue to engage with DLUHC, LGA and DCN on scheme roll out, pressures and risks/updated national guidance etc. Reviewing a Devon-wide exit strategy around pending housing/accommodation pressures once hostings end – joint solutions (work in progress).	Simon Newcombe	Satisfactory	08/03/2023
CR4.2	Finance: Funding for Q1 of the scheme received from DCC under agreed financial arrangement based on numbers and payments out. Further Q2-Q4 returns and payments in due course. 60% of £10.5k per refugee (DCC 25%, 15% contingency for all) which includes £200 subsistence payment per head. 100% payment of £640k banked. Committed spend to date inc. some Q2 expenditure and existing staff time is around one-third of funding received so far @ £235k	Simon Newcombe	Satisfactory	08/03/2023
CR4.3	Re-matching demand: Re-matching demand is relatively low (host/guest arrangements ending early) and single figures but starting to see increase due to rurality of some hosts and requirement to be closer to employment, services and schools.	Simon Newcombe	Satisfactory	08/03/2023
CR4.4	Team Devon: Petroc offer a myriad of informal network events will help support transition to sustainable residency (employment, language, skills, accommodation, schools, etc.) and help during summer holiday period – likely to be testing for some host/guest relationships. Negotiated strong Petroc offer for summer holidays and longer-term programme inc. Tiverton campus. Summer programme (get to know – family cookery, arts and crafts, physical activity, trips to local attractions).	Simon Newcombe	Satisfactory	08/03/2023
CR4.5	Team Devon resettlement strategy: Devon strategy agreed with L&Cs to prevent homelessness presentations & TA costs [Existing host support (host monthly payments top-ups)/Re-matching/utilisation of EOIs/Transition to private rental sector (quest and landlord grants, rent assurance)]. Costs within Q1&2	Simon Newcombe	Satisfactory	08/03/2023

	budget-contingency & Q3/4 funds headroom. 12-mths CHAT contract + MDDC PSH/homeless teams. Support beyond formal HfU scheme end (March 23) to Oct. 23. HfU funds c/f into 2023/24. 215 guests/ 92 hosts – new arrivals now 1-2 families per month.			
Notes: Local Authority Housing Fund decision in place with Cabinet to provide additional, dedicated temporary accommodation. Devon County Council/Team Devon agreement on contingency match-fund support also in place. Contingency adequately in place (EMR) to deliver existing arrangement with full recharge for internal costs and external contracts for 2023/24. PRS transition arrangements and external contracts working well (MDDC/CHAT and CAB). Payment from Government now £5.9k per person but adequate to support delivery on top of EMR. Host payment monies continue to be covered directly by Government irrespective of per person payment.				

CR5	Information Security	Current Severity	Current Likelihood	Current Risk Rating
		4	3	12
Risk Description: Inadequate data protection could lead to breaches of confidential information and ultimately enforcement action by the ICO.				
Risk Owner: Giovanni Wallace		Risk Type: Data Protection/Information Security		
Page 5	Mitigating Actions	Responsible Officer	Current Effectiveness	Review Date
Notes: Recently appointed to the role of Data Protection officer – Instantly highlighted areas for improvement and have put a frameworks in place to improve data quality, compliance and data protection. Framework is being built and will be imbedded at all levels with training being given to all levels of MDDC.				

CR6	National shortage of chlorine and other chemicals	Current Severity	Current Likelihood	Current Risk Rating
		2	2	4
Risk Description: A countrywide shortage of chlorine due to production issues in China and the war in Ukraine means some councils plan to close their swimming pool facilities and amend timetables.				
Risk Owner: Lee Chester		Risk Type: Economic/Financial		
Mitigating Actions		Responsible Officer	Current Effectiveness	Review Date
CR6.1	Alternatives to using Chlorine in our swimming pools: To convert the disinfection systems to salt would cost EVLC and LMLC approximately £30k each. A significant investment however if there is an agreement to change over to salt it would take time and resources.	Lee Chester	Satisfactory	10/03/2023

CR6.2	Challenges Nationally: Leisure pools are being “challenged nationally” with (sodium hypochlorite) chlorine shortages and while these have been building for some time. The ongoing crisis is due to a ‘perfect storm’ of supply chain issues, caused by Brexit, Covid, and the Ukraine war. Currently our leisure service are able to get stocks of Chlorine by chasing suppliers. The price of chlorine has also increased by 50-60%.	Lee Chester	Fully Effective	10/03/2023
Notes: As of March 2023, the supply chain for chlorine and acid chemicals required for maintain pool water quality has been consistently meeting purchase order volumes required and delivery timescales. This is consistent since the early autumn, and will be continued for risk updates during the seasonal peaks when outdoor pools and holiday parks are in greater use across the country				

CR7	Financial Sustainability	Current Severity	Current Likelihood	Current Risk Rating
		5	5	25
Risk Description: The council faces a range of financial challenges. We are subject to ongoing budget reductions whilst the cost of providing services continues to increase due to a range of inflationary pressures. We are also subject to single year budget settlements which impacts on the ability for medium term financial planning. We need to be able to plan and meet these challenges so that we can continue to deliver effective services and achieve the priorities we wish to.				
Risk Owner: Paul Deal		Risk Type: Economic/Financial		
Mitigating Actions		Responsible Officer	Current Effectiveness	Review Date
CR7.1	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.	Paul Deal	Satisfactory	08/03/2023
CR7.2	Identify Efficiencies: Taking proactive steps to increase income and reduce expenditure through efficiencies, vacancies that arise and delivering services in a different way.	Paul Deal	Satisfactory	08/03/2023
CR7.3	Reserves: Cabinet have taken the decision to recommend a minimum general reserve balance of £2m.	Paul Deal	Action Required	08/03/2023
CR7.4	Set Budget: Each year as part of the budget setting process, members are consulted via PDGs in time to evaluate savings proposals.	Paul Deal	Satisfactory	08/03/2023
CR7.5	Medium term planning: Work to close the budget gap is on-going. A range of options are being considered but Covid, business rates and uncertainty over fair funding review make the situation extremely challenging. To close the budget gap and maintain services: We continue to work with managers to reduce costs and explore new income streams.	Paul Deal	Action Required	08/03/2023

Notes: This risk was established in February 2023. It consists of two previously identified financial risks (“Overall funding availability”, and “Reduced funding – budget cuts”). Following recommendations to remove income from the original budget agreed on 7 February requiring the utilisation of reserves, there is a need to identify over £1m of ongoing savings in 2023/24 to balance the in-year budget and avoid increasing the medium term financial plan gap still to be identified. Work is underway to identify savings towards the vacancy target. Cabinet have been tasked with identifying options to replenish reserves.

CR8	Quality of Planning Committee Decisions	Current Severity	Current Likelihood	Current Risk Rating
		4	4	16
Risk Description: Planning decisions are monitored at Government level nationally – the risk is to stay significantly below 10%. Over 10% could put a Local Planning Authority into special measures. Links to Performance Indicator measures 11a, 11b, 12a and 12b.				
Risk Owner: Angharad Williams		Risk Type: Reputation		
Mitigating Actions		Responsible Officer	Current Effectiveness	Review Date
CR8.1	Planning Advisory Service Committee Review being undertaken: To minimise risk associated with decision making and Government targets	Angharad Williams	TBC	08/03/2023
CR8.2	Planning Advisory Service Training being undertaken: To minimise risk associated with Government targets and decision making	Angharad Williams	TBC	08/03/2023
CR8.3	Regular informal planning committee meetings: Keeping planning committee informed of all appeals and upcoming planning policy, and any actions the Council is making.	Angharad Williams	Satisfactory	08/03/2023
Notes:				

CR9	SPV – 3 Rivers – Failure of the Company	Current Severity	Current Likelihood	Current Risk Rating
		5	5	25
Risk Description: This will depend on Economic factors and the Company’s success in the marketplace commercially. For MDDC the impacts will be: <ul style="list-style-type: none">• 3 Rivers are unable to service and repay the loan from MDDC• Not receiving the forecast additional income• Not supporting corporate objectives.				
Risk Owner: Paul Deal		Risk Type: Economic/Financial		
Mitigating Actions		Responsible Officer	Current Effectiveness	Review Date

CR9.1	Cabinet: Regular meetings with Shareholder Representatives and updates to Cabinet on progress with the recommendations action plan and projects.	Andrew Jarrett	Satisfactory	08/03/2023
CR9.2	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.	Andrew Jarrett	Satisfactory	08/03/2023
Notes: Failure to approve a business plan has resulted in the company only being able to continue on existing developments. Full Council have requested an external review, for which the scope is being developed.				

CR10	Cullompton Town Centre Relief Road	Current Severity	Current Likelihood	Current Risk Rating
		5	5	25
Risk Description: Inability to deliver the Cullompton Town Centre Relief Road				
Risk Owner: Adrian Welsh		Risk Type: Economic/Financial		
Mitigating Actions		Responsible Officer	Current Effectiveness	Review Date
CR10.1	Alternative Funding: Alternative funding opportunities continually being explored.	Adrian Welsh	Action Required	23/02/2023
Notes: This risk was added to the Corporate Risk Register in February 2023.				

AUDIT COMMITTEE 28 MARCH 2023

RISK MANAGEMENT POLICY

Cabinet Member	Cllr Barry Warren, Leader of the Council
Responsible Officer	Matthew Page, Corporate Manager for People, Governance and Waste,
Reason for Report:	To present the Committee with the updated Risk Management Policy for approval.

RECOMMENDATIONS: The Committee approves the updated Risk Management Policy (Appendix 1).

Relationship to Corporate Plan: Effective risk management is crucial to enable the council to mitigate risks to achieving Corporate Plan priorities.

Financial Implications: Failure to mitigate risks or take advantage of opportunities could result in financial loss to the Council.

Budget and Policy Framework: This policy is included in the framework and approved by Audit Committee annually.

Legal Implications: Risk management is an integral part of the Council's Corporate Governance arrangements and there is a statutory responsibility under the Account and Audit Regulations (2015) to put in place risk management arrangements.

Risk Assessment: Failure to take advantage of opportunities and mitigate risks could impact on the Council's ability to deliver its strategic objectives. Assessment of the effectiveness of the framework for identifying and managing risks and for performance and demonstrating clear accountability is a key element of the Council's governance arrangements.

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 Risk Management Policy was last updated and approved by the Audit Committee on 22 March 2022.
- 1.2 The Council has a legal obligation to comply with the requirements placed upon it by the Accounts and Audit Regulations 2015 to conduct a review at least once a year of its system of internal control. For a local authority in England, that statement is the Annual Governance Statement.
- 1.3 Risk Management forms an integral part of the Annual Governance Statement which is concerned with demonstrating that the Council has adequate and effective internal control arrangements in place for managing risk.

- 1.4 One of the principles of good governance as defined by the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) is managing risks and performance through internal control and strong public financial management.
- 1.5 The purpose of this report is to update the Council's Risk Management Policy (attached as Appendix 1) for the 2023/24 financial year.

2.0 Risk Management Policy Review

- 2.1 In Autumn 2022, the Council established a new officer role with responsibilities for coordinating the risk management process, the Corporate Performance and Improvement Manager. Also, an internal audit of the risk management process was undertaken over Winter 2022/23. This has given opportunity for a more detailed review of the Risk Management Policy to ensure it represents best practice. The most significant changes to the Policy are detailed at paragraph 2.2 to 2.5.
- 2.2 The Risk Management Process (Section 5) has been reviewed. The number of stages has been increased from four to six, and more detailed guidance is provided at each stage.
- 2.3 To simplify the Policy and provide more accountability to senior officers, a corporate risk register is established and will be reported to Audit Committee and Cabinet. This will detail the most significant risks that the council faces to its corporate priorities.
- 2.4 New in-house training will be developed in 2023/24 for officers based on the revised Risk Management Policy.
- 2.5 The council's risk appetite has not changed.

3.0 Conclusion

- 3.1 Risk Management is not a separate initiative, but is a demonstration of good management practice. The Council has an obligation to provide assurance to Members and the community that the principles of good governance, including Risk Management are reflected in the activities of the Council.
- 3.2 Approval of the Risk Management Policy (Appendix 1) will assist the Council to embed risk management and demonstrate good governance principles.

Contact for more Information: Matthew Page, Corporate Manager for People, Governance and Waste, mpage@middevon.gov.uk; Dr Steve Carr, Corporate Performance and Improvement Manager, scarr@middevon.gov.uk.

Circulation of the Report: Cllr Barry Warren and Leadership Team

Risk Management Policy 2023/24



1.0 Background

1.1 The Risk Management Policy details Mid Devon District Council's (MDDC) framework for managing risk. Risk management is an integral part of the Council's Corporate Governance arrangements and there is a statutory responsibility under the Account and Audit Regulations (2015) to put in place risk management arrangements.

1.2 The Association of Local Authority Risk Managers defines Risk Management as:

"Risk Management is the culture, processes and structures that are directed towards effective management of potential opportunities and threats to the organisation achieving its objectives".

1.3 Maintaining, developing and improving public services in the current financial climate requires opportunities to be taken whilst managing the risks involved. Therefore Mid Devon District Council's definition of Risk Management is:

"The planned and systematic approach to identify, evaluate and manage the risks to, and opportunities for, the achievement of objectives"

2.0 Purpose, Aims and Objectives

2.1 The purpose of the Policy is to embed risk management in MDDC by establishing a risk management framework, which provides:

- ❑ An efficient control environment
- ❑ Accountability for risk management throughout the organisation
- ❑ A culture where officers and Members are able to be more creative and innovative in taking opportunities that benefit the Council and the District provided that there is clear analysis of the risks and a robust justification for the decision
- ❑ A well-established risk assessment process which ensures that risks are considered and managed as part of the decision making process
- ❑ Performance monitoring of risk management activity
- ❑ Communications process to support risk management
- ❑ A robust opinion for the Annual Governance Statement which comments of the adequacy of the Council's risk management arrangements

2.2 The aim of the MDDC Risk Management Policy is to adopt industry standard practices in the identification, analysis, evaluation and treatment of risks and opportunities.

2.3 It is acknowledged that some risks will always exist and will never be eliminated. All employees must understand the nature of risk and accept responsibility for risks associated with their area of authority. The necessary support, assistance and commitment of senior management will be provided.

2.4 The risk management objectives of MDDC are to:

- ❑ Embed risk management into the culture of the council
 - ❑ Fully incorporate risk management as an integral part of corporate planning, business planning, project management and performance management
 - ❑ Manage risk in accordance with best practice and in particular in accordance with the requirements of the Annual Governance Statement
 - ❑ Consider legal compliance as a minimum
 - ❑ Prevent injury and damage and reduce the cost of risk
 - ❑ Raise awareness of the need for risk management
- 2.5 These objectives will be achieved by:
- ❑ Establishing a clear risk management process that is communicated to all officers and Members
 - ❑ Clearly defined roles and responsibilities for risk management
 - ❑ Providing risk management training to officers and Members
 - ❑ Completing corporate and service risk management workshops to identify risks
 - ❑ Maintaining and reviewing corporate and service risk registers, with responsible officers assigned to each risk
 - ❑ Ensuring that committee reports include an assessment of associated risks
 - ❑ Identifying risks and opportunities in relation to working in partnerships
 - ❑ Ensuring that the Cabinet and Audit Committee receive regular reports on strategic risk and the actions taken to manage these.
- 2.6 The following sections consider how the Council will implement the above objectives.
- 3.0 **Roles and Responsibilities**
- 3.1 The following groups and individuals have the following roles and responsibilities for risk management at MDDC.
- 3.2 The **Audit Committee** will approve this Risk Management Policy and any subsequent revisions. They will also receive and scrutinise quarterly reports on the council's Corporate Risk Register, the actions taken to manage these risks, and will consider the adequacy of the Council's risk management arrangements as part of the Annual Governance Statement.
- 3.3 The **Leadership Team** is primarily responsible for setting the organisation's risk appetite and identifying corporate risks, as well as being responsible for determining mitigating actions and delegating responsibility for the control of the risks. The wider management will also be responsible for monitoring the progress of managing risks and will review committee reports.
- 3.4 The **Cabinet** will monitor the effective implementation of risk management at MDDC by receiving quarterly reports on the Council's corporate risks.
- 3.5 The **Policy Development Groups (PDGs)** will receive updates on risks relating to any policy development matters as required. Any concerns or issues will be reported to the Cabinet.
- 3.6 The **Leader of the Council** will:

- ❑ Communicate the importance of risk management to other Members
 - ❑ Act as a sounding board and provide a critical friend challenge to the risk management process
- 3.7 **Directors/ Corporate Managers** will:
- ❑ Lead the risk management process within their services and ensuring that business plans include an annual assessment of risk
 - ❑ Identify and manage significant operational risks by carrying out risk assessments with their teams as and when this becomes appropriate e.g. if making a significant change to service or undertaking a project
 - ❑ Develop actions to mitigate the risks identified, assigning responsibility for implementing controls and setting target dates for implementation
 - ❑ Ensure that all corporate and service risks are managed on SPAR (the council's corporate performance and risk management system) and other service risk assessments held on the corporate health and safety drive.
 - ❑ Regularly review risks associated with their service area(s) ensuring that the agreed actions and deadlines have been met
 - ❑ Ensure that any briefing papers/ reports that they produce to make changes to their services effectively consider associated risk implications.
- 3.8 The **Corporate Performance and Improvement Manager** is responsible for providing assurance to the Council through monitoring the implementation and effectiveness of this Risk Management Policy. They will also comment upon the effectiveness of the risk management process in work undertaken to support the Annual Governance Statement.
- 3.9 **Internal Audit** will consider risk and controls in their audit reviews and report on the adequacy of risk management in those areas. Internal Audit will also undertake audits of the Risk Management policy/ control framework.
- 3.10 The **Health and Safety Committee** is responsible for reviewing the measures taken to ensure the health and safety of all those who work in and visit the council or may be affected by its activities - ensuring that people are not exposed to risks and that the risks are mitigated effectively. Where concerns are raised these will be escalated to the Health and Safety Officer and Leadership Team for action.
- 3.11 All **employees** need to have an awareness of risk management and are responsible for ensuring that they manage risk effectively in their jobs and report hazards and risks to their line manager.
- 4.0 **Strategic, Operational and Project Risks**
- 4.1 Broadly speaking risks can be divided into three categories:
- ❑ **Strategic** – risks which need to be taken into account in judgements about the medium to long term goals and objectives of the council whilst at the same time considering the opportunities
 - ❑ **Operational** – risks and opportunities which managers will encounter in the daily course of their work
 - ❑ **Project** - risks and opportunities which will be encountered during specific tasks/ projects

4.2 Strategic Risks

- 4.2.1 The management of strategic risks is a core responsibility of the Leadership Team and the Corporate Management Team. The identification and management of strategic risk should be factored into corporate and service planning.
- 4.2.2 The Leadership Team are primarily responsible for the management of corporate risks (strategic risks which could impact on the achievement of corporate priorities).
- 4.2.3 The Corporate Management Team are primarily responsible for the management of service risks (strategic risks which could impact on the achievement of service priorities).
- 4.2.4 The major categories of strategic risk are:
- ❑ **Political** – associated with failure to deliver either local or central government policy. The council could also potentially be at risk from the actions of other agencies, other councils, partner organisations, etc.
 - ❑ **Economic** – affecting the ability of the council to meet its financial commitments. These include internal budgetary pressures as well as external factors affecting the economy as a whole.
 - ❑ **Social** – relating to the effects of changes in demographic, residential or socio-economic trends on the council's ability to deliver its objectives.
 - ❑ **Technological** – associated with the capacity of the council to deal with the pace/ scale of technological change, or its ability to use technology to address changing demands.
 - ❑ **Legislative** – associated with current or potential changes in national or European Law.
 - ❑ **Data Protection/ Information Security** – this includes the consequences of data/information transfer between the Council and other Bodies e.g. Government Connect, Partnership working, etc.
 - ❑ **Environmental** – relating to the environmental consequences of progressing the council's strategic objectives (e.g. in terms of climate change including energy efficiency, pollution, recycling, landfill requirements, emissions, etc.).
 - ❑ **Health and Safety** – This includes all aspects of Health & Safety as well as the Corporate Manslaughter legislation
 - ❑ **Competitive** – affecting the competitiveness of the service (in terms of cost or quality) and/ or its ability to deliver Value for Money.
 - ❑ **Customer/ Citizen** – associated with failure to meet the current and changing needs and expectations of customers and citizens.
 - ❑ **Partnership** – associated with working in partnership or sharing services with another local authority or partner

4.3 Operational Risks

- 4.3.1 Operational risks are those which managers and staff will encounter in the daily course of their work. These may be:
- ❑ **Professional** – associated with the particular nature of each profession (e.g. housing service concerns regarding the welfare of tenants).
 - ❑ **Financial** – associated with financial planning and control and the adequacy of insurance cover.
 - ❑ **Legal** – related to possible breaches of legislation.

- ❑ **Personal Safety** – related to lone working and the potential to encounter aggressive or confrontational people whilst carrying out their duties.
- ❑ **Physical** – related to fire, security, accident prevention and health and safety (e.g. hazards/risk associated with buildings, vehicles, plant and equipment, etc).
- ❑ **Contractual** – associated with the failure of contractors to deliver services or products to the agreed cost and specification.
- ❑ **Technological** – relating to reliance on operational equipment and the potential for technological failure (e.g. IT systems or equipment and machinery)

4.4 **Project Risks**

4.4.1 Risks which will be encountered during specific tasks/ projects being undertaken. These may be:

- ❑ **People** – associated with whether we have the right people with the right skills involved in the project. This also concerns getting buy in from staff at all levels of the organisation, Members and potentially external stakeholders
- ❑ **Technical** – associated with the Council's reliance on the software provider to deliver what has been agreed in the contract and that they provide support for dealing with any system problems or issues
- ❑ **Cost** – associated with the potential for the project to go over budget if the people and technical matters are not delivered as per the Business Case and Project Initiation Document.
- ❑ **Time** – ensure that the right amount of time is allocated to the project as well as sufficient contingency as slippage can cause to project delay/failure and this can also have an impact on cost and quality
- ❑ **Quality** – depending on what goes into the project will determine the quality of the output

4.5 **Opportunities**

4.5.1 Opportunities are to be considered at the same time as risk. Examples may include:

- ❑ Spend to save projects where the Council will benefit from reduced expenditure or increased income in the future
- ❑ Transformational change which will generate cost savings or an income stream
- ❑ Opportunities for partnership working with our stakeholders or other local authorities
- ❑ Opportunities to streamline working processes
- ❑ Opportunities to boost the local economy
- ❑ Opportunities to deliver and improve housing within the District
- ❑ Opportunities to protect and enhance our environment
- ❑ Opportunities to make a difference to our communities and to empower them
- ❑ Delivery of the objectives in the Corporate Plan and Service Business Plans

4.6 The categories are neither prescriptive nor exhaustive. However, they should provide a framework for identifying and categorising a broad range of risks and opportunities for the Council as a whole, as well as service areas.

5.0 RISK MANAGEMENT PROCESS

5.1 Risk management can be defined as a six step process. Steps 2 to 4 are collectively known as a strategic risk assessment.



Underpinning each of these stages is communication and consultation with interested parties. The aim of this is to ensure internal and external (if appropriate) stakeholders are considered and involved in our work to understand and define our risks.

5.2 Step 1: Establish the Context and Scope

Risk management happens at different levels (e.g. project, operational, strategic), for different purposes, and at different times. When working on risk management it is important that everyone involved understands the scope of the work they are undertaking. Three questions should be considered:

1. What are we considering risks to?
For example, if the goal is to produce a project risk register, participants should be identifying risks to the project's objectives.
2. What timescales should be considered?
Normally this would tie in with a planning cycle, or a project lifetime.
3. Who needs to be involved at each stage and what information do they need?

Ideally the same group will be involved throughout the risk assessment stages (steps 2-4) to provide a consistent approach.

5.3 Step 2: Risk Identification

Once the context and scope of the risk management activity has been established, risks can be identified. This should be a group activity, pooling all relevant expertise. It can be done in a number of ways, including:

- Brainstorming session or workshop
- Interviews
- Meetings with small groups of people
- Questionnaires
- Taking from other Council strategies

- By consulting other risk or compliance type services, e.g. Health & Safety, Information Security, Internal Audit etc.

Existing sources of information can also be used to help identify potential risks. To help identify risks, it can be helpful to think about the different sorts of risks that might arise (as detailed at Sections 4.2.4; 4.3.1; and 4.4.1).

As risks are identified, it is crucial for them to be clearly defined. Failure to do so can cause confusion later about the exact nature and/or consequence of the risk. This can lead to ineffective controls being implemented, or the risk analysis being over or underestimated. Risks should be defined in terms of the potential cause(s) and consequence(s).

5.4 Step 3: Risk Analysis

The purpose of this stage is to get a better understanding of each risk. The analysis also helps prioritise which risks are most significant and need more attention, effort, and resources. It also allows comparison between different types of risk using a risk matrix that plots likelihood and severity.

Each risk will be analysed for the likelihood it will happen (scored from 1 to 5) and the severity (scored from 1 to 5) if it did happen.

This assessment should be made considering controls that are already in place and working effectively. Controls that are not yet in place should not be considered. The impact should be considered against the relevant objectives, e.g. corporate risks against corporate objectives, project risks against project objectives. The risks should then be plotted on the risk matrix once all likelihood and severity scores have been agreed.

<div style="display: flex; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); margin-right: 5px;">Risk Severity</div> <div style="flex-grow: 1; border-left: 1px solid black; border-right: 1px solid black; position: relative;"> <div style="position: absolute; left: -10px; top: 50%; transform: translateY(-50%);">↑</div> </div> </div>	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="flex-grow: 1; border-bottom: 1px solid black; position: relative;"> <div style="position: absolute; right: -10px; bottom: 0;">→</div> </div> </div>						
		1	2	3	4	5
		Risk Likelihood				

The overall risk rating for a risk is calculated by multiplying the risk severity and the risk likelihood, this is shown on the risk matrix.

The risks will then need to be considered in conjunction with any opportunities when making decisions (or taking risks).

Benefits of Opportunities

The assessment methods for determining the potential benefits of opportunities can include:

- ❑ Assessing the increased income/reduced expenditure from the innovation
- ❑ Quantifying the number of potential new customers
- ❑ Calculating the potential sales growth that could stem from capturing the opportunity
- ❑ Calculating the return on investment for a particular project and whether that is the level of return that the Council is looking for
- ❑ Considering the value added as a result of capitalising on the innovation e.g. the benefit to the community

5.5 Step 4: Risk Evaluation

The evaluation step is the final stage of the risk assessment process. This will inform decisions about the treatment of the risk. The first stage is to identify what the appetite for risk is. The council's current risk appetite is that:

- Risks with a risk rating between 15 and 25 are classed as high risk (red);
- Risks scoring between 5 and 12 are classed as medium risk (amber); and
- Risks scoring between 1 and 4 are low risk (green).

Any risk which scores 10 or above is deemed above the risk appetite and treatment is required.

<div style="display: flex; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); margin-right: 5px;">Risk Severity</div> <div style="flex-grow: 1; border-left: 1px solid black; border-right: 1px solid black; position: relative;"> <div style="position: absolute; left: -10px; top: 50%; transform: translateY(-50%);">↑</div> </div> </div>	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
		Risk Likelihood				
		<div style="display: flex; align-items: center; justify-content: center;"> <div style="flex-grow: 1; border-bottom: 1px solid black; position: relative;"> <div style="position: absolute; right: -10px; bottom: 50%; transform: translateY(50%);">→</div> </div> </div>				

The final stage of the risk evaluation will include a decision about how to manage each risk:

1. Do nothing: No further treatment of the risk is required other than to monitor the risk and ensure any controls continue to be effective (Below the risk appetite).
2. Treatment: Further treatment is required (Above the risk appetite).
3. Further Analysis: More analysis of the risk is required before it can be fully evaluated.

When evaluating risks, the following should also be considered:

- The council as a whole has a zero tolerance approach to fraud. Fraud risks must be considered as part of the development of all risk registers
- The council will not tolerate any risks which could result in the breaking of any laws or regulations, or ultra vires (acting without its legal powers or authority)
- The response to any risk should comply with relevant council policies and procedures
- The level of confidence of the risk is fully understood, i.e. the root causes, the potential consequences and the likelihood of it happening

5.5 Step 5: Risk Treatment

For risks which require management, appropriate treatment needs to be implemented. There are four options which should be considered:

1. Avoid the risk – By ending the activity, the council's involvement in a project or partnership, or by doing things in a different way
2. Transfer the risk – By passing some or all of the responsibility for negative consequences to a third party, such as an insurer or contractor.
3. Take the risk – pursue the opportunity
4. Change the risk – by taking actions to reduce the likelihood or impact of the risk

The treatment approach will need to consider the current risk rating, a target risk rating (usually below the risk appetite line), and how quickly the council wants to treat the risk.

In the risk treatment stage, a decision should also be taken as to whether the risk should be escalated, for example from a service level to a corporate level.

Factors affecting this decision include:

- The impact, should the risk occur, on other services within the Council
- Whether the risk requires coordinated action or higher level leadership to manage it

5.6 Step 6: Monitoring and Review

Each council service, project manager, or contract manager is responsible for maintaining a risk register as deemed necessary. A risk register is a list of all the related risks being monitored and managed.

The Corporate Risk Register will be coordinated by the Corporate Performance and Improvement Manager. Leadership Team will determine which risks are managed through the Corporate Risk process. The Corporate Risk Register will be reported quarterly to the Audit committee and to Cabinet.

Monitoring and review of risks should occur at least annually, but will likely require more regular review. The frequency should be determined by the group managing the risk, or the responsible project manager. It will be influenced by the types of risk, and their potential impact and likelihood.

Committee reports may also trigger a review of risks, and decision makers may wish to be made aware of how any decision may affect risks that have already been identified.

For each risk on a risk register the following information should be captured:

- Risk name and risk description
- Risk owner (who has ultimate responsibility for managing the risk)
- Current risk rating
- Risk actions (being taken to mitigate the risk), along with the responsible officer
- Any additional information as required to help with monitoring the risk.

Leadership Team and Members expect to see up to date and relevant review notes for the mitigating actions on all risks reported to Committee.

6.0 Risk Management Training, Guidance and Awareness

6.1 For the benefits of Risk Management to be realised, it is necessary for the process to be embedded in the culture and operations of the organisation.

6.2 Strategic Risk Management training will be developed by the Corporate Performance and Improvement Manager in 2023/24. This will support officers to manage risk. Guidance will be developed for officers and Members as required.

Internal Audit Progress Report 2022-23

Mid Devon District Council
Audit Committee

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March 2023

Tony Rose
Head of Audit Partnership

Auditing for achievement

Agenda Item 9.

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 carry out an annual review of the effectiveness of their internal audit system and incorporate the results of that review into their Annual Governance Statement (AGS), published with the annual Statement of Accounts.

The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual report providing an opinion for use by the organisation to inform its governance statement. This report provides our proposed opinion for 2022-23 based on work undertaken to date in the Opinion Statement.

The Internal Audit plan for 2022-23 was presented and approved by the Audit Committee in March 2022. The following report and appendices set out the background to audit service provision; summaries of audit work undertaken during the year and provides an opinion on the overall adequacy and effectiveness of the Authority's internal control environment.

Expectations of the Audit Committee from this progress report

The 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.
 - approve the amendments to the audit plan.

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.

Tony Rose

Head of Devon Audit Partnership

Contents

Introduction
Opinion Statement
Executive Summary of Audit Results
Audit Coverage & Progress Against Plan
Audit Recommendations
Value Added
Appendices
1- Audit Summary
2 - Counter Fraud Report
3- Overdue Recommendations

Opinion Statement

Overall, based on work performed during 2022/23 and our experience from the current year progress and previous years' audit, the Head of Internal Audit's Opinion is of "Reasonable 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. An opinion on the adequacy of controls is provided to management as part of the audit report.

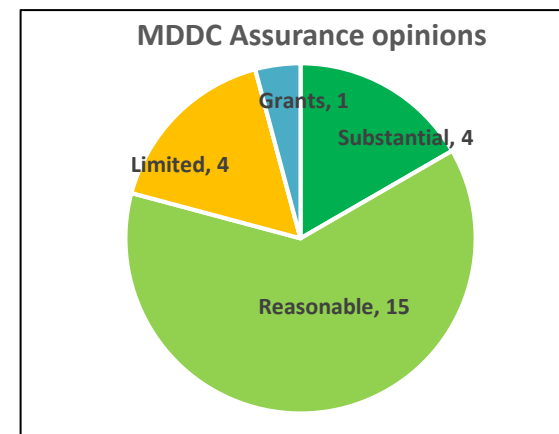
All final audit reports include an action plan which identifies responsible officers, and target dates, to address control issues identified. Implementation of action plans is the responsibility of management yet may be reviewed during subsequent audits or as part of specific follow-ups.

Directors and Senior Management are 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.

Substantial Assurance	A sound system of governance, risk management and control exist across the organisation, with internal controls operating effectively and being consistently applied to support the achievement of strategic and operational objectives.
Reasonable Assurance	There are generally sound systems of governance, risk management and control in place across the organisation. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of some of the strategic and operational objectives.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified across the organisation. Improvement is required to the system of governance, risk management and control to effectively manage risks and ensure that strategic and operational objectives can be achieved.
No Assurance	Immediate action is required to address fundamental control gaps, weaknesses or issues of non-compliance identified across the organisation. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of strategic and operational objectives.

Executive Summary of Audit Results

In support of our current overall assessment of Reasonable Assurance, this chart represents the opinions provided to date:



In this report, we provide a Substantial Assurance opinion related to Local Land Charges.

Six other audits are rated as Reasonable. This includes a review on Risk Management which will be of interest to this Committee. They also include assessments on core council systems such as Main Accounting, Income Collection, and Housing Benefits.

Finally, we provide two Limited Assurance reports, on Repairs and Maintenance, and Cyber Security. The Cyber Security report is to be discussed as a Part 2 item.

A summary of these reports is contained in **Appendix 1**.

Fraud Prevention and Detection

We continue to work with council officers on measures to identify and prevent fraud.

We have received agreement from Devon Council to proceed with single tender action to engage a contractor to support review of Council Tax Single Person Discounts by Devon District Councils. This will allow Mid Devon to participate in this activity if it decides to.

Assurance Mapping

We continue to maintain our Assurance Map and have discussed this recently with Corporate Management Team. We attach the current summary sheet (**Appendix 2**) to these papers for Committee review.

Planning for 2023-24 Audit Plan - We have created a draft audit plan which we have discussed with Senior Management Team. The plan will be discussed as a separate agenda item at this Audit Committee.

Internal Audit Charter and Strategy – At this meeting we have also provide an updated Audit Charter and Strategy for agreement by the Audit Committee as a separate agenda item.

Audit Coverage and Performance Against Plan

We have progressed a large proportion of the plan in the last few months. We do not currently anticipate any problem in substantially delivering this year's plan, to inform our Annual Assurance Opinion.

The Committee will be aware that the Internal Audit Plan is intended to cover the period April 2022 to March 2023. We know from our experience that the work we undertake does not start on the 1 April or finish on the 31 March. The delivery of the work plans leans towards commencing in April with the bulk of the work delivered within each financial year, concluding with our reports being finalised up to and including the following April and May. This timeframe helps to ensure the Annual Head of Internal Audit Assurance Opinion is based on the fullest possible breadth of work in line with each Internal Audit Plan.

Audit Recommendations

Appendix 3 - There are currently 17 overdue recommendations (3 High and 10 Medium) listed on Spar (See **Appendix 3**). This compares to the 19 recommendations reported at the last Audit Committee. The policy is that only High priority recommendations require Audit Committee agreement to extend target dates and that management can decide to extend Medium and Low recommendation target dates. We provide appropriate challenge if we have any concerns that the weakness has not been addressed.

Customer Satisfaction – We ask for feedback on every audit. This year we have received the following CSQ scores:

Audit	Satisfaction Score
Lord Meadows Leisure Centre	Very Satisfied
Development Management	Very Satisfied
Service Charges	Very Satisfied
Cyber Security	Very Satisfied
Cemeteries	Very Satisfied
Risk Management	Very Satisfied
Housing Benefits	Very Satisfied / Satisfied
Void Management	Very Satisfied

Value Added

It is important that the internal audit service seeks to "add value" whenever it can. 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.
- Undertaking similar audits across different councils to identify and share good practice, such as current audits of Climate Change being undertaken for North Devon, Torridge and Mid Devon.
- Confirming that core controls continue to be effective despite changing work conditions and current pressure of work.

Appendix 1 – Summary of audit reports and findings for 2022-23

Audit and Assurance Opinion	Summary, Risk Exposure and Management Actions	Summary of Actions High / Med / Low		
Local Land Charges Substantial Assurance	<p>We provide Substantial Assurance as the team has very good turnaround times for facilitating searches, the budget is monitored regularly and complies with government guidelines and the team seems very diligent in their processes and duties.</p> <p>Review of the land charges performance indicator (PI); L-179 searches carried out within 5 working days, and testing of a sample of searches, found that turnaround time to facilitate searches is very good. The PI is set to achieve 100% of searches within 5 working days. This compares to the government target of undertaking searches within 20 days.</p> <p>The budget is regularly reviewed to ensure that the service remains cost neutral over a rolling three-year period. The year 2022/23 appears likely to make a loss of circa £10k if recharges are based on previous year values. Over the three-year period (2020/21 - 2022/23) this represents a loss of £5.5k. The responsible accountant advised that reduced hours of the Senior Local Charges officer from December 2022 should lead to a balanced budget for 2022/23. If a loss is predicted over the period, the service can increase fees to boost income. Fees were last increased from 1 August 2021.</p>	0	0	1
Main Accounting System Reasonable Assurance	<p>A strong system of financial performance monitoring is in place at Mid Devon. From individual budget monitoring meetings, variances to budgets are discussed and details entered upon a Budget Monitoring report which is later presented to Seniors Managers (CMT) and Leadership Team (LT) before moving onward to meeting of the PDGs, Cabinet or Council. Appropriate controls were in place to manage the MAS, apart from the points outlined below.</p> <p>Those issues mentioned within previous years internal audit reports identified as residual risk are still relevant, and continued management visibility of the risks is needed:</p> <ul style="list-style-type: none"> • The System Accountant, and one of the other accountants who provides cover for her absence, have system administration access rights to the finance system as well as operational access. Given the power this gives them over the financial system, management should consider the benefits of increased resilience derived from this access compared to the risk. • Finance officers raise and post the same journal. To reduce the risk of fraud and error, good practice is for one individual to raise a journal, and another to post it. We accept that this practice may improve resilience and may be useful due to the small nature of the team. Management has told us that the risk is low, and acceptable for business reasons. Clarifying responsibilities for journals in finance guidelines or manual would be useful. 	0	2	2

	<ul style="list-style-type: none"> Financial Regulations requires preparation, and sign off, of a detailed bank reconciliation statement as soon as practicable, following the end of each month. The statement is to be signed jointly by the Deputy Chief Executive (S151) and the officer responsible for its preparation. Sample testing continues to show delays in the completion of these reconciliations. 			
Income Collection / Debtors	<p>There was a good control framework related to raising and management of debtor accounts. We provide a Reasonable Assurance given the absence of regular review of the debtors Masterfile to identify possible duplicate records and those suppliers no longer current / used by the council.</p> <p>Reconciliation of the four debtor sub ledgers is undertaken monthly on a timely basis with each reconciliation prepared being signed and dated by the responsible Accountant. While most reconciliations of the four debtor sub ledgers, and suspense accounts are undertaken on time, testing a small sample of reconciliations found the July Sundry Debtor reconciliation had not been checked, reviewed, and signed off until 16 September; a further reconciliation checked was found to be undated.</p> <p>Our last audit report noted that there was no consistent process to review and identify duplicate customers or those no longer used. The System Accountant told us at that time that there is some functionality within the new upgraded system which could help with this. We have ascertained that this has not yet been tested and the debtors Masterfile has not been subject to recent review of the records on held on it.</p> <p>The interface from CRM for Trade Waste invoices remains the only interface into the debtors system with the process remaining unchanged since our last audit review.</p>	0	1	1
Cemeteries	<p>To the credit of the officers involved in Bereavement Services and Ground Maintenance our findings are positive resulting in an overall 'Reasonable Assurance' opinion. The service has up-to date policies, good links with finance to discuss budget monitoring, suitable site plans, secure paper records, an online database register of burials is completed, and cemeteries are suitably maintained.</p> <p>There are no performance measures (KPIs) related to the service tracked on the SPAR system. We understand the service is 'demand led', however, KPIs measure how effectively the service is achieving objectives and are ultimately a necessary tool.</p> <p>Budget monitoring processes are good, although the Service is an overall cost to the council, which is circa £100k. A review of charges is to be undertaken shortly which will increase income.</p> <p>An impressive audit trail of procedure notes is stored and updated by the Bereavement Officer. Additional information should be documented within the Corporate Business Continuity Plan</p>	0	2	3

	<p>around mitigation of unexpected and sudden increase in deaths. The service had a plan in place to dig more graves during the pandemic; this process could be documented within the BCP.</p> <p>Spreadsheets are used by the Bereavement Officer to manage the plots and are up to date. Both paper and electronic burial records are stored with paper copies securely held. Electronic records are stored on Microsoft Access Database which has been in use for nearly twenty years. Although the database contains most of the information required, there are performance issues, and the system is no longer supported, so there would be benefit in considering a new cemeteries system.</p> <p>Grounds maintenance and grave digging is undertaken in house, and we have been told this works well. The main task is grass cutting, which is done every two weeks and we have been told sufficient resource is in place to manage the cemeteries in-house. This was evident from our visit to both open cemeteries, where they are being maintained in a tidy, safe, and respectful manner.</p> <p>We looked at assets within the cemetery grounds, both sites have chapels and Tiverton has a lodge which is leased. The chapels at both sites are rarely used, so there may be an opportunity to increase income on these assets.</p>			
Housing Benefits Reasonable Assurance	<p>There has been good progress in addressing previous audit recommendations. The Team Leaders have been working together to bring the Revenues and Benefits Team together to make the service more generic, provide greater resilience across the teams and improve team efficiency and effectiveness. Further work is planned to complete this objective; we have provided a reasonable assurance recognising the progress made so far.</p> <p>Cross training of staff commenced in June 2022 with the Benefits specialists refreshing their training on Council Tax, taking telephone calls and workflow items. The Benefits staff were paired with a Council Tax specialist, so they had support when required. The Benefits specialists were devoting one day a week to Council Tax. During 2023 it is anticipated that revenues staff will update basic council tax reduction claims as part of their Revs and Benefits role.</p> <p>Revenues and Benefits have recently run a pilot scheme where they have had a temporary Revenues Information Officer (RIO) to take initial customer calls to address basic queries. This reduces the amount of calls/work going into the workflow and provides a better customer experience. The pilot scheme has concluded; the team has found the use of the RIO very helpful. Two RIOs will be now employed to undertake this role.</p> <p>The combination of the cross training of staff and the introduction of a joint phone line that comes directly to benefits has provided benefits in managing team workload. The benefits workload has reduced as more people go over to universal credit; this has also helped in managing and reducing workflows with the result that the team have been able to catch up on workloads.</p>	0	3	1

	<p>Over the past 6 months management changes have been made to improve continuity of service; this includes creation of a new role of Revs and Bens Technical & Subsidy Officer. The new Team Leader (Benefits) also has knowledge of subsidy and can provide cover in times of absence.</p> <p>In the last few years, the team has struggled to have time to undertake quality checking of work. The Revs and Bens Technical & Subsidy Officer has carried out some checking of work prior to the subsidy work. It is thought that there is also scope to check work which reduces future subsidy checking. This will help meet the target of 4% checks of daily work.</p>			
Risk Management Reasonable Assurance	<p>The council's risk management strategy is approved by Audit Committee every year, and key strategic risks are reviewed by Audit Committee and Cabinet every quarter. More visual documents may improve the conversations at these meetings, including greater focus on the effectiveness of management action to reduce the risk. It would be good practice for senior officers and member committees such as Cabinet to hold periodic horizon scanning activities to help identify risks or issues earlier.</p> <p>Strategic and other risks are discussed in various officer meetings, such as the Corporate Performance Group which included the senior management team. Significant risks are considered as necessary, for instance the current high risk on council finances. However, the council did not have a focused Risk Management Group to look at operation of the risk management system, to identify cross cutting risks, and consider escalation of risks and whether mitigating action was sufficient. The council should consider whether formation of this type of Group would be beneficial in promoting more effective monitoring and management of risks.</p> <p>At a Service level, the identified risks were those listed on the SPAR system. Review indicates that these tend to be updated every six months in line with member reporting (High scoring risks are required to be updated quarterly, and all risks are to be updated at least annually). However, some risks had been on the system for many years and are inherent risks present as part of business operations. Work is needed to review Service risks and remove those that fall into this category. Work is also needed to consider the remaining risks and assess whether they represent a good set of risks relevant to the Service area. Review of risks on SPAR also indicates that there is only limited detail on the required mitigating actions, including when the action is to be completed.</p> <p>Speaking to a selection of officers, discussion of current risk did not appear a core part of Service management meetings. Recent training on risk and opportunity management has not been undertaken so many officers may not appreciate the importance of risk management in managing their service area. While significant training is provided on important areas such as data protection and safeguarding, more guidance on the risks that the council is most concerned about would be beneficial to promote officer awareness.</p>	0	5	0

Equality and Diversity

(Report in draft)

Reasonable Assurance

In addition, the council will have significant projects where specific supporting risk registers are necessary or useful. For instance, in our Climate Change audit, management agreed to maintain a risk register related to Climate Change to support effective risk and opportunity management. The council will have other significant areas such as Cyber Security where specific risk registers would be beneficial.

We also briefly reviewed management of project risks in the planning area. The range of stakeholders that the council is working with for these projects, such as with the Cullompton Town Centre Relief Road Project require risk registers to be held and maintained. This is part of basic project management practice. These risks were not listed on SPAR (except for a small number, such as one for Culm Village). However, the Planning Director was part of senior management team and feeds in detail on any significant risks to council senior management and reports to project boards.

The council places priority on meetings its obligations related to Equality, Diversity, and Inclusion. This includes providing extensive staff training on a wide range of welfare and equality subjects.

There was only limited information on the council website on how the council meets the Equality legal requirements out with committee reports. This includes ensuring that Equality Impact Assessments are visible for new council policies and processes affecting the community. Council papers have a section detailing whether a relevant Equality Impact Assessment has been undertaken. There is also an Equality Impact Assessment Form template and we saw examples from the Housing section (albeit not using the corporate template) but did not confirm that the EIA forms were used by all service areas. In comparison to some councils, MDDC did not publish on the website a list of Equality Impact Assessments detailing the assessment related to different policies and strategies.

To help focus council efforts on E&D, the council has an Equality Diversity and Inclusion (ED&I) Group of members and officers to raise ED&I issues. The group had not met for some time, but the new Corporate Performance and Improvement Manager has re-started the group and is reviewing the terms of reference and purpose. It may be beneficial to have separate ED&I strategies for meeting the council's external responsibilities, and one focused on internal E&D for officers and members.

The council has a process managed by the Customer Service team to capture complaints on discrimination against the protected characteristics, and to refer to Service managers for consideration. The number of complaints is low: 12 complaints out of 633 received. The complaints have also been discussed at the ED&I Group. Unresolved grievances can ultimately be referred by the complainant to the Ombudsman.

A good priority was placed on Accessibility Requirements for the public facing website and

1

4

0

	<p>documents held on it. Specific training was provided for officers on meeting those requirements.</p> <p>In relation to assessing the diversity of the council's workforce, HR shares information with service leads on age, sex, and contracted status (part time / full time) but not on religion, sexual orientation, or ethnic group etc. The council does not have targets relating to the workforce, and there is no overall target to ensure the workforce reflects the communities it serves in the Single Equality Scheme, although one is listed on the website under Equality Policy as "Ensure that our workforce reflects the diverse community we serve".</p>			
Repairs and Maintenance Limited Assurance	<p>Property Services have experienced officers to deliver a service that supports good building maintenance and are fully aware of the required improvements that we note in this report. The budget appears to be sufficient to undertake the maintenance required. Our Limited Assurance rating is given as the service mainly has a reactive maintenance approach and does not have an effective system to manage repairs, supported by a range of key performance measures. The audit trail related to Statutory checks also needs improvement.</p> <p>Analysed spend information indicates that over three years the amount of Reactive versus Planned work has increased from 54% to 75%. This may result in increased cost for the council, and increased risk of business continuity incidents if assets are unexpectedly not available.</p> <p>Management have advised us that a suitable budget is available to cover all identified building maintenance requirements, and there is a 30-year maintenance programme. Budgets are monitored effectively, and the programme allows funding to be moved when needed.</p> <p>A new system is needed to improve asset management, performance reporting and file storage; options are currently being investigated. This will improve monitoring of third party/sub-contractors (currently done using Outlook calendar entries), as well as holding statutory compliance check details (currently on spreadsheets). We also could not retrieve all completion documents related to the Statutory checks as some information is saved to personal drive areas and email accounts.</p> <p>There is a good process to monitor work quality and to sign off that it is completed. Contractors are challenged if works are not completed to standard. An experienced planned maintenance assessor conducts post-work checks as well as the service manager.</p> <p>Key Performance Indicators (KPIs) are needed to support monitoring of the work undertaken and other performance related statistics; management should consider the KPIs needed ahead of implementing the proposed new system.</p> <p>Contractors are usually based in the work area which helps allocate tasks to reduce travel time and costs. To enhance staff resource training should be delivered to junior/existing staff on the more complex maintenance issues to reduce management time for these tasks.</p>	0	7	2

	Processes to manage reactive works on site are good. Contractors are encouraged to resolve reactive works on site by consulting Property Services for approval. If work cannot be resolved, fixed quotes can be provided, or the service may borrow a skilled labourer from the MDDC Housing department. As fixed quotes can take time to be obtained, we have suggested contractors provide them on their post-work completion reports to speed up the process and save officer time. Management told us urgent reactive works are almost always attended too in a timely manner and are happy with the relationship with contractors.			
Cyber Security Limited Assurance	To be discussed in Part 2.			

Appendix 2 – Assurance Map

The Institute of Internal Auditors provides a summary of the benefits of Assurance Mapping:

- An assurance map brings an organisations risk appetite to life. At the same time as highlighting assurance gaps, it also shows where there is duplication or too much assurance. It is a simple way of aligning assurance resource, risk and internal control.
- It improves awareness of the control environment by looking across the organisation rather than at individual reports which can lead to siloed thinking.
- It drives positive behaviours by enabling robust discussions about risk, educating on the value of assurance and aiding collaboration between functions.
- Collectively, the assurance community of an organisation often has a more powerful voice when it works together; an assurance map is a practical platform benefiting all parties.

Over the last year we have maintained and updated the assurance map to reflect audit work and input from management including the Council's risk register, and cumulative audit knowledge of the council. The completion of the summary and individual maps provides us with a base from which we can concentrate our audit fieldwork on key risks and areas marked as 'Improvements required' (Amber) or Fundamental Weaknesses (Red) rather than 'High / Good' (Green). Further work is needed to identify the 3rd line assurances that the Council may be obtaining in each of these areas.

As this provides a historical view of assessments, we are not able to place complete reliance on these assessments without undertaking further walkthrough or sample testing of the area. We now intend to discuss the assurance map with senior management every six months to obtain validation. The assurance map has also been used to support creation of the audit plan for 2022/23

Based on the current assessment we highlight the following:

- Page 76
- Performance and Financial Management Reports: As per last year our work identified instances where performance information is not being collected or reported to allow effective monitoring and decision making, such as Repairs and Maintenance, Culm Valley Sport Centre, Housing Voids.
 - Cyber Security and IT Resilience. This continues to be a high-risk area, with Cyber Security including attacks using Ransomware being especially highlighted as a concern by central government. Our latest audit provided a Limited Assurance opinion, noting that system controls were generally good, but that governance aspects could be improved.
 - We identified issues related to Quality Control Checks in several areas including Income Management, the Main Accounting System, Housing Benefits.
 - Linked to Quality Control, we noted instances where Input Processing into key systems could be improved to ensure data being entered is accurate and completed, including for Housing Voids, Care Service Alarm Income.
 - Fraud and Error. Like most organisations, the Council could do more to consider how to identify and prevent fraud and error from occurring and we will make suggestions on this when undertaking our audits. .

In reviewing the assessments, members and management should consider the assurance provided alongside that of the risk management and other assurance arrangements and satisfy themselves that the internal control framework operates at an adequate level to mitigate risks.

Assurance diagram for MDDC March 2023

Risk / Key Objective / Key Service	Business Operation - 1st line defence							Financial, Corporate and Governance - 2nd line defence							Independent Assurance - 3rd line defence							Points related to Red / Amber assessments
	Identifying risks and improvement actions. Implementing controls. Reporting on progress. Management assurance							Assurance oversight, management and financial policies, setting direction, risk management, ensuring compliance.							Independent challenge & audit. Reporting on assurance. Audit of assurance providers. Entity level assurance.							
	Internal Control Measures				Management controls																	
	Core systems controls inc. IT system, parameters	Input processing and output controls	Fraud and Error prevention	Authorisation, supervision and segregation	Performance & Financial management reports	3rd Party and Business continuity, Disaster recovery	Strategies and business plans inc. Benchmarking	Financial / Monitoring, reconciliation, reporting, Statutory Returns	Functional & Service compliance reviews	Quality control checks (H&S, Info Governance)	Security inc IT systems & physical	Governance structures and processes (inc. financial & other policy)	Corporate risk management/assurance	External accreditation/Certification (ISO 27001)	External compliance testing - e.g. security, resilience, quality	3rd Party assurance letters	Consultant reviews	Strategic partners assurance reports inc. Peer review	Internal Audit Assignments	Report date		
Equality and Diversity	G	G	G	G	G	G	A	G	G	A	G	A	G						Reasonable	Feb-23	Equality Impact Assessments, content on website, ED&I Strategy, Working Group	
Local Land Charges	G	G	G	G	G	G	G	G	G	G	G	G	G						Substantial	Feb-23		
Electoral Registration and Elections	G	G	A	G	G	G	G	G	G	G	G	G	G						Reasonable	Feb-23	Training of Presiding officers and Poll Clerks, Photo IDs	
KFS Income Management	G	G	G	G	G	G	G	G	G	A	G	G	G						Reasonable	Feb-23	Identification of duplicate customers or those no longer used	
KFS - Main Accounting System	G	G	G	A	G	G	G	G	G	A	G	G	G						Reasonable	Feb-23	Dual journal posting & approvals over £25k, Reconciliation of Bank Accounts	
KFS Creditors	G	G	G	A	G	G	G	G	G	A	G	G	G						Reasonable	Feb-23	Raising of GRNs after invoice, Purchase Order detail, supplier deletion from Masterfile	
Cyber Security	A	A	G	G	A	A	G	G	G	R	A	A	R		PSNI				Limited	Jan-23	Governance aspects, other weaknesses.	
Recruitment, Selection & Retention	G	G	G	G	G	G	G	G	G	A	G	G	G						Reasonable	Jan-23	Recruitment training for managers	
Housing Benefits	G	G	G	G	G	G	G	G	G	A	G	G	G						Reasonable	Jan-23	Quality review checks of claims	
Risk Management	G	A	A	G	G	G	G	G	G	A	G	G	G						Reasonable	Jan-23	Service area risks, detail on SPAR, review of risk process and council risks.	
Repairs and Maintenance	G	A	G	G	A	A	G	G	G	G	G	G	G						Limited	Jan-23	Performance measures and indicators, maintenance schedule,	
Culm Valley Sports Centre	G	A	G	G	A	G	G	A	G	A	G	G	G						Limited	Jan-23	H&S responsibilities, fire arrangements, financial state, condition surveys, performance measures and monitoring	
Housing Voids	G	A	G	G	A	G	A	A	G	G	G	G	G						Not provided	Dec-22	Data accuracy on Orchard, Policy / process needs updating, Monitoring performance	
KFS - Treasury Management	G	G	G	G	G	G	G	G	G	G	G	G	G						Substantial	Dec-22		
Cemeteries	G	G	G	G	A	G	G	G	G	G	G	G	G						Reasonable	Dec-22	Performance measures.	
Capital Asset Management	A	G	G	G	A	G	G	G	G	A	G	G	G						Reasonable	Jan-23		
Care Services - Alarm Income	G	A	G	G	A	G	G	G	G	G	G	G	G						Reasonable	Jul-22	Contract with main supplier, reconciliation of key assets	
Customer Care and Complaints	A	G	G	G	G	G	G	G	G	G	G	G	G						Reasonable	Sep-22	System to record & monitor call resolution incl to Service areas	

Grounds Maintenance	G	A	G	G	A	G	G	G	G	G	G	G	G						Reasonable	Sep-22	Record of servicing for assets, review of services to clients
Car Parks	G	G	G	G	G	G	G	G	G	G	G	G	G						Substantial	Dec-22	
Climate Change	G	G	G	G	A	G	G	G	G	G	G	G	A						Reasonable	Aug-22	Risk and Opportunity management, range of performance measures
Waste and Recycling	G	G	G	G	G	G	G	G	G	G	G	G	G						Substantial	Jun-22	
KFS - Creditors	G	G	G	A	G	G	G	G	A	G	G	G	G						Reasonable	Jun-22	Compliance with the procurement process re Pos and GRNs
KFS - Payroll	G	G	G	G	G	A	G	A	G	G	G	G	G						Reasonable	Jun-22	Storing of Back Up Tapes and monthly Reconciliations
KFS - Housing Rents	G	G	G	G	G	G	G	A	G	G	G	G	G						Substantial	Jun-22	Completion of reconciliation checks
KFS - Housing Benefits	G	G	A	G	G	G	G	G	G	G	G	G	G		G				Reasonable	May-22	Quality control checks, Team integration
Planning / Development Controls106	G	G	G	G	G	G	G	G	G	G	G	G	G						Reasonable	Apr-22	
Leisure - Lord Meadows	G	G	G	G	A	G	A	G	G	A	G	G	G						Reasonable	Mar-22	Asset Register, Stock Control and stocktake, Accident
Service Charges	G	G	A	G	G	G	G	G	G	G	G	G	G						Reasonable	Mar-22	Service Charge Recovery
Commercial Rents	G	A	G	G	G	G	G	G	G	G	G	G	G						Reasonable	Feb-22	Property database
KFS - Main Accounting System	G	G	G	A	G	G	G	A	G	G	G	G	G						Reasonable	Feb-22	Dual journal posting & approvals over £25k, Reconciliation of Bank Accounts
safeguarding	G	G	G	G	G	G	G	G	G	G	G	R	G						Reasonable	Feb-22	Failure to submit Section 11 Assurance Statement
Digitalisation inc Social Media	G	G	G	G	G	G	G	G	G	G	G	G	G						Reasonable	Feb-22	
HR - Sickness and Absences	G	G	G	G	G	G	G	G	G	G	G	G	G						Substantial	Feb-22	
Emergency Planning	G	G	G	G	G	G	A	G	G	G	G	A	G						Reasonable	Jan-22	Update of central and local EP Plans, overarching EP and BCP

Appendix 3 – Clearance of audit recommendations

The table details progress to implement internal audit recommendations.

Priority	H		M		L		Total
Service	Not due	Overdue	Not due	Overdue	Not due	Overdue	
Climate Change			3				3
Corporate Management				4			4
Customer First			2			1	3
Governance				3			3
Housing – Building Maintenance			11		3		14
Housing Services						1	1
Human Resources			1	2			3
ICT		3		1			4
Leisure Services	1		3		1	1	6
Property Services			4		2	1	7
Revenues - Benefits			3		2		5
Street Scene Services					1		1
Total	1	3	27	10	9	4	54

The table below details the High and Medium Recommendations that are overdue.

Service	Priority	Title	Objective	Target Date	Management Update
Emergency Planning	Medium	Review and update the MDDC R&R Plan and local plans	Review and update the MDDC R&R Plan in line with latest DEPP versions. Review the LRF and County level risk registers alongside local risks to identify any new local plan requirements. New local plans to be developed. Review existing local plans and update as required	30 Sep 22	
Emergency Planning	Medium	Develop an overarching EP and BCP Strategy	Develop an overarching EP and BCP Strategy to confirm and bring together overall MDDC EP and BCP framework, strategic and tactical management	31 Dec 22	

			arrangements and responsibilities, DEPP and Exeter East and Mid Emergency Responder forum engagement, mutual aid arrangements, training and skills competencies and scheduling for all plan reviews and test and exercises.		The Council no longer has any operational resource or role dedicated to either emergency planning or business continuity following departures in 2022. Due to budget pressures, unable to secure an LT vacancy approval for a combined EP/BC role (though a role has been developed, evaluated, and detailed VAF with a business case/risk assessment put forward in Q3 2022). Unable therefore to meet these audit recommendations.
Emergency Planning	Medium	Mapping overall EP framework	Develop an overarching EP and BCP Strategy to confirm and bring together overall MDDC EP and BCP framework, strategic and tactical management arrangements and responsibilities, DEPP and Exeter East and Mid Emergency Responder forum engagement, mutual aid arrangements, training and skills competencies and scheduling for all plan reviews and test and exercises.	31 Dec 22	
Emergency Planning	Medium	Failure to fulfil Category 1 responsibilities leading to failure to respond in an emergency	Review and update the MDDC R&R Plan in line with latest DEPP versions. Review the LRF and County level risk registers alongside local risks to identify any new local plan requirements. New local plans to be developed. Review existing local plans and update as required.	30 Sep 22	
Business Continuity Management	Medium	Creation of a Business Continuity Strategy	The Council does not have a Business Continuity Strategy. The Business Continuity Plan and related Service plans provide some detail, but not in sufficient detail to ensure there is appropriate focus by the Council in managing Business Continuity, including on risk management, resources, review, testing of plans, mitigating action that is desirable etc. Given that Council ways of working and outputs have been subject to significant recent change, a review of its approach is timely, including creation of an overall strategy on Business Continuity Management. This strategy should be approved by Cabinet to ensure appropriate member oversight of BCM arrangements.	31 Dec 22	
Business Continuity Management	Medium	Update of the Business Continuity Plan	The Plan is reasonably recent, being only two years old but is currently disconnected from the Service Plans. Although the Corporate Priorities remain largely the same since it was created there is a risk that it does not reflect changes to ways of working, such as the increased use of laptops and the working at home arrangements. In some areas, there is significant additional risk, particularly remote working and the increased dependence on IT and therefore there is value in ensuring that it incorporates the Service Priorities that have been developed over the last two years, as well as the list of systems and business operations to be prioritised in the event of an incident.	30 Sep 22	

Business Continuity Management	Medium	Roles and responsibilities related to Business Continuity (and Emergency Planning)	Roles and responsibilities for Business Continuity Management are not clearly set out in the current BC Plan. In managing the current emergency, responsibility has shifted to the Corporate Management Team. The post holder for Governance, Health and Safety and Business Continuity has advised that she has less involvement or visibility of decision being made as she is not a member of that group. Outside of the current C19 emergency there is a need for continued focus on other BC risks that may impact the Council, as well as the mitigating action to reduce the likelihood and impact of those risks.	31 Dec 22	
Payroll	Medium	Reconciliation of "back pay"	Awaiting the response from the payroll supplier as to how the back pay is calculated.	6 Mar 23	Awaiting more information from the supplier.
Payroll	Medium	Calculation of final salary payment	Awaiting response from payroll supplier as to how system calculates part month payments.	6 Mar 23	Awaiting more information from supplier.
Cyber Security	Medium	Update ICT Business Continuity Plan	Conduct a formal review of the ICT Business Continuity Plan to ensure the content is up-to-date and relevant	31 Jul 22	The updating of the ICT business continuity plan will be created by 31 March 2023 - with the completion of the LGA's bespoke Business Continuity Exercise, this will provide us with valuable experience and provide information and direction for this plan to be updated.
Cyber Security	High	Exercise the Incident Response Plan	Schedule an incident response exercise with an external specialist, who can offer independent review and provide impartial advice. Learn from the experience to improve incident response plans and playbooks.	31 Aug 22	In conjunction with LGA we will be taking part in 'LGA's Cyber React Business Continuity Exercise' with at least one other business unit. The first meeting with them is scheduled for Friday 13th Jan 2023.
Cyber Security	High	Ransomware & Malware Impact Assessment	Carry out a ransomware business impact analysis and risk assessment. Identify critical assets and determine the impact to these if they were affected by an attack.	31 Jul 22	Awaiting IAR from Information management team.
Cyber Security	High	Malware & Ransomware Response	An Incident Response Plan covering malware and ransomware attacks should be created to help the Council make better decisions under the pressure of a real attack or incident.	31 Jul 22	The development of an ICT Incident response plan will be created by 31 March 2023 - with the completion of the LGA's bespoke Business Continuity Exercise, this will provide us with valuable experience and provide information and direction for this plan to be completed.

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REFERRAL TO MID DEVON AUDIT COMMITTEE MARCH 2023

This Internal Audit Charter and Strategy is referred to the Audit Committee for approval.

MISSION

The Mission risk management of Devon Audit Partnership is to enhance and protect organisational value by providing risk based and objective assurance, advice and insight across its partners.

TERMS OF REFERENCE

This document details the **Internal Audit Charter** and **Internal Audit Strategy** for Mid Devon as required by the Public Sector Internal Audit Standards (PSIAS). The Audit Charter formally describes the purpose, authority, and principal responsibilities of the Council's Internal Audit Service, which is provided by the [Devon Audit Partnership \(DAP\)](#), and the scope of Internal Audit work. This Charter complies with the mandatory requirements of the PSIAS. The accompanying Audit Strategy is designed to deliver the requirements outlined in the Charter.

DEFINITIONS

Internal auditing is defined by the Public Sector Internal Audit Standards (PSIAS) as “an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.

The PSIAS set out the requirements of a 'Board' and of 'Senior Management'. For the purposes of the internal audit activity within The Council the role of the Board within the Standards is taken by the Council's Audit Committee and Senior Management is the Council's Leadership Team. They also make reference to the role of “Chief Audit Executive”. For The Council this role is fulfilled by the Head of Devon Audit Partnership (HoDAP).

INDEX TO SECTIONS OF THE CHARTER AND STRATEGY

Charter

1. Statutory Requirements and Purpose of Internal Audit
2. Professionalism, Ethics and Independence
3. Authority
4. Accountability
5. Responsibilities
6. Management
7. Internal Audit Plan and Resources
8. Internal Audit Reporting
9. Relationship with the Audit Committee and Non Conformance to the Charter
10. Quality Assurance and Improvement Programme

Strategy

- Audit Strategy - Purpose
- Annual Audit Opinion
- Audit Planning & Delivery
- Performance Management and Quality Assurance
- Resources and skills
- Staff Development and use of MKI

CHARTER – STATUTORY REQUIREMENTS AND PURPOSE OF INTERNAL AUDIT

Statutory Requirements

Internal Audit is a statutory service in the context of The Accounts and Audit (England) Regulations 2015, which state:

5.—(1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

In addition, the Local Government Act 1972, Section 151, requires every local authority to designate an officer responsible for the proper administration of its financial affairs. In The Council, the Deputy Chief Executive is the 'Section 151 Officer'. One way in which this duty is discharged is by maintaining an adequate and effective internal audit service.

The Purpose and Aim of Internal Audit

The role of Internal Audit is to understand the key risks of the Council, to examine and evaluate the adequacy and effectiveness of the system of risk management and the entire control environment as operated throughout the organisation, and contribute to the proper, economic, efficient and effective use of resources. In addition, the other objectives of the function are to:

- Support the Section 151 Officer to discharge his / her statutory duties
- Contribute to and support the Finance function in ensuring the provision of, and promoting the need for, sound financial systems
- Support the corporate efficiency and resource management processes by conducting value for money and efficiency studies and supporting the work of corporate working groups as appropriate
- Provide a quality fraud investigation service which safeguards public monies.

The existence of Internal Audit does not diminish the responsibility of management to establish systems of internal control to ensure that activities are conducted in a secure, efficient and well-ordered manner.

Internal Audit for The Council is provided by Devon Audit Partnership. We aim to provide a high quality, professional, effective and efficient Internal Audit Service to the Members, service areas and units of The Council, adding value whenever possible.

CHARTER - PROFESSIONALISM, ETHICS AND INDEPENDENCE

Being Professional

Devon Audit Partnership will adhere to the relevant codes and guidance. In particular, we adhere to the Institute of Internal Auditors' (IIA's) mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the Public Sector Internal Audit Standards. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing within the public sector and for evaluating the effectiveness of Internal Audit's performance. The IIA's Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, Internal Audit will adhere to The Council's relevant policies and procedures and the internal audit manual. Internal Auditors must apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not, however, imply infallibility.

Our Ethics

Internal auditors in UK public sector organisations must conform to the Code of Ethics as set out by IIA. This Code of Ethics promotes an ethical culture in the profession of internal auditing. If individual internal auditors have membership of another professional body then he or she must also comply with the relevant requirements of that organisation.

The Code of Ethics extends beyond the definition of internal auditing to include two essential components:

1. Principles that are relevant to the profession and practice of internal auditing.
2. Rules of Conduct that describe behaviour norms expected of internal auditors.

The Code of Ethics provides guidance to internal auditors serving others, and applies to both individuals and entities that provide internal auditing services. The Code of Ethics promotes an ethical, professional culture. It does not supersede or replace Codes of Ethics of employing organisations. Internal auditors must also have regard to the Committee on Standards of Public Life's Seven Principles of Public Life.

CHARTER - PROFESSIONALISM, ETHICS AND INDEPENDENCE

Being Independent

Internal Audit should be independent of the activities that it audits. The status of Internal Audit should enable it to function effectively. The support of the Council is essential and recognition of the independence of Internal Audit is fundamental to its effectiveness.

The Head of Devon Audit Partnership should have direct access to and freedom to report in his or her own name and without fear or favour to, all officers and members and particularly to those charged with governance (the Audit Committee). In the event of the necessity arising, the facility also exists for Internal Audit to have direct access to the Chief Executive, the S.151 Officer and the Chair of the Audit Committee.

The Council should make arrangements for Internal Audit to have adequate budgetary resources to maintain organisational independence.

The Head of Devon Audit Partnership should have sufficient status to facilitate the effective discussion of audit strategies, audit plans, audit reports and action plans with senior management and members of the Council.

Auditors should be mindful of being independent, and must:

- Have an objective attitude of mind and be in a sufficiently independent position to be able to exercise judgment, express opinions and present recommendations with impartiality;
- Notwithstanding employment by the Partnership / Council, must be free from any conflict of interest arising from any professional or personal relationships or from any pecuniary or other interests in an activity or organisation which is subject to audit;
- Be free from undue influences which either restrict or modify the scope or conduct of their work or significantly affect judgment as to the content of the internal audit report; and
- Not allow their objectivity to be impaired by auditing an activity for which they have or have had responsibility.

CHARTER - AUTHORITY

Internal Audit, with strict accountability for confidentiality and safeguarding records and information, is authorised full, free, and unrestricted access to any and all of the organisation's records, physical properties, and personnel pertinent to carrying out any engagement.

All employees are requested to assist Internal Audit in fulfilling its roles and responsibilities. This is enforced in the Accounts and Audit (England) Regulations 2015 section 5(2-3) that state that: Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit:

- 2) (a) make available such documents and records; and
- 2) (b) supply such information and explanations; as are considered necessary by those conducting the internal audit.
- 3) in this regulation “documents and records” includes information recorded in an electronic form.

In addition, Internal Audit, through the HoDAP, where deemed necessary, will have unrestricted access to:

- The Chief Executive
- Members
- individual Directors
- Section 151 Officer
- Monitoring Officer
- All authority employees
- All authority premises.

CHARTER - ACCOUNTABILITY

Devon Audit Partnership is a shared service established and managed via a Partnership Committee and Board with representation from each founding partner. The Partnership operates as a separate entity from the client authorities and Internal Audit is therefore independent of the activities which it audits. This ensures unbiased judgements essential to proper conduct and the provision of impartial advice to management. DAP operates within a framework that allows:

- Unrestricted access to senior management and members;
- Reporting in its own name;
- and Separation from line operations

Every effort will be made to preserve objectivity by ensuring that all audit members of audit staff are free from any conflicts of interest and do not, ordinarily, undertake any non-audit duties.

The HoDAP fulfils the role of Chief Audit Executive at the Authority and will confirm to the Audit Committee, at least annually, the organisational independence of the internal audit activity. The Deputy Chief Executive 'Section 151 Officer' will liaise with the HoDAP and is therefore responsible for monitoring performance and ensuring independence.

The HoDAP reports functionally to the Audit Committee on items such as:

- Approving the internal audit charter;
- Approving the risk based internal audit plan and resources;
- Receiving reports from the Head of Devon Audit Partnership on the section's performance against the plan and other matters;
- Approving the Head of Devon Audit Partnership's annual report'
- Approve the review of the effectiveness of the system of internal audit.

The HoDAP has direct access to the Audit Committee, and has the opportunity to meet privately with the Audit Committee.

CHARTER - RESPONSIBILITIES

The Chief Executive, Directors and other senior officers are responsible for ensuring internal control arrangements are sufficient to address the risks facing their services. The HoDAP will provide assurance to the Deputy Chief Executive 'Section 151 Officer' regarding the adequacy and effectiveness of the Council's financial framework, helping meet obligations under the LGA 1972 Section 151.

The HoDAP will provide assurance to the Monitoring Officer in relation to the adequacy and effectiveness of the systems of governance within the Council helping him/her meet his/her obligations under the Local Government and Housing Act 1989 and the Council's Constitution. The HoDAP will also work with the Monitoring Officer to ensure the effective implementation of the Council's Whistleblowing Policy.

Internal Audit responsibilities include:

- Examining and evaluating the soundness, adequacy and application of the Council's systems of internal control, risk management and corporate governance arrangements;
- Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- Reviewing the systems established to ensure compliance with policies, plans, procedures and regulations which could have a significant impact on operations;
- Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
- Investigating alleged fraud and other irregularities referred to the service by management, or concerns of fraud or other irregularities arising from audits, where it is considered that an independent investigation cannot be carried out by management;
- Appraising the economy, efficiency and effectiveness with which resources are employed and the quality of performance in carrying out assigned duties including Value for Money Studies;
- Working in partnership with other bodies to secure robust internal controls that protect the Council's interests;
- Advising on internal control implications of new systems;
- Providing consulting and advisory services related to governance, risk management and control as appropriate for the organisation; and,
- Reporting significant risk exposures and control issues identified to Audit Committee and to senior management, including fraud risks, governance issues.

CHARTER - MANAGEMENT

The PSIAS describe the requirement for the management of the internal audit function. This sets out various criteria that the HoDAP (as Chief Audit Executive) must meet, and includes:

- Be appropriately qualified;
- Determine the priorities of, deliver and manage the Council's internal audit service through a risk based annual audit plan;
- Regularly liaise with the Council's external auditors to ensure that scarce audit resources are used effectively;
- Include in the plan the approach to using other sources of assurance if appropriate;
- Be accountable, report and build a relationship with the Council's Audit Committee and S.151 Officer; and
- Monitor and report upon the effectiveness of the service delivered and compliance with professional and ethical standards.

These criteria are brought together in an Audit Strategy which explains how the service will be delivered and reflect the resources and skills required.

The HoDAP is required to give an annual audit opinion on the governance, risk and control framework based on the audit work done.

The HoDAP should also have the opportunity for free and unfettered access to the Chief Executive and meet periodically with the Monitoring Officer and S.151 Officer to discuss issues that may impact on the Council's governance, risk and control framework and agree any action required.

CHARTER - INTERNAL AUDIT PLAN AND RESOURCES

At least annually, the HoDAP will submit to the Audit Committee a risk-based internal audit plan for review and approval.

The HoDAP will:

- Develop the annual plan through discussions with senior management based on an understanding of the significant risks of the organisation;
- Submit the plan to the Audit Committee for review and agreement;
- Implement the agreed audit plan;
- Maintain a professional audit staff with sufficient knowledge, skills and experience to carry out the plan and carry out continuous review of the development and training needs;
- Maintain a programme of quality assurance and a culture of continuous improvement;

The internal audit plan will include timings as well as budget and resource requirements for the next fiscal year. The Head of Internal Audit will communicate the impact of resource limitations and significant interim changes to senior management and the Audit Committee.

Internal Audit resources must be appropriately targeted by assessing the risk, materiality and dependency of the Council's systems and processes. Any significant deviation from the approved Internal Audit plan will be communicated through the periodic activity reporting process.

A requirement of the Council's Anti-Fraud and Corruption Strategy is that the HoDAP be notified of all suspected or detected fraud, corruption or impropriety. All reported irregularities will be investigated in line with established strategies and policies. The audit plan will include sufficient resource to undertake proactive anti-fraud work. Internal audit activities will be conducted in accordance with Council strategic objectives and established policies / procedures.

Monitoring of internal audit's processes is carried out on a continuous basis by internal audit management. Council's members and management may rely on the professional expertise of the HoDAP to provide assurance. Periodically, independent review may be carried out: for example, through peer reviews; ensuring compliance with the PSIAS is an essential approach to such a review.

CHARTER - INTERNAL AUDIT REPORTING

The primary purpose of Internal Audit reporting is to provide to management an independent and objective opinion on governance, the control environment and risk exposure and to prompt management to implement agreed actions. Internal Audit should have direct access and freedom to report in their own name and without fear or favour to, all officers and members, particularly to those charged with governance (the Audit Committee).

A written report will be prepared for every internal audit project and issued to the appropriate manager accountable for the activities under review. Reports will include an 'opinion' on the risk and adequacy of controls in the area that has been audited, which, together, will form the basis of the annual audit opinion on the overall control environment.

The aim of every Internal Audit report should be to:

- Give an opinion on the risk and controls of the area under review, building up to the annual opinion on the control environment; and
- Recommend and agree actions for change leading to improvement in governance, risk management, the control environment and performance.

The Manager will be asked to respond to the report within 30 days, although this period can be extended by agreement.

The response must show what actions have been taken or are planned in relation to each risk or control weakness identified. If action is not to be taken, this must also be stated. The HoDAP is responsible for assessing whether the manager's response is adequate.

Where deemed necessary, the Internal Audit report will be subject to a follow-up, normally within six months of its issue, in order to ascertain whether the action stated by management in their response to the report has been implemented.

The HoDAP will:

- Submit periodic reports to the Audit Committee summarising key findings of reviews and the results of follow-ups undertaken;
- Submit an Annual Internal Audit Report to the Audit Committee, incorporating an opinion on the Council's control environment. This will also inform the Annual Governance Statement.

CHARTER - RELATIONSHIP WITH THE AUDIT COMMITTEE, AND NON CONFORMANCE TO THE CHARTER

The Council's Audit Committee will act as "the Board" as defined in the Public Sector Internal Audit Standards (PSIAS), The Specific Functions of the Audit Committee are set out in the Council's Constitution (Part 2 Article 9 – Audit Committee).

The HoDAP will assist the Committee in being effective and in meeting its obligations. To facilitate this, the HoDAP will:

- Attend meetings, and contribute to the agenda;
- Ensure that it receives, and understands, documents that describe how Internal Audit will fulfil its objectives (e.g. the Audit Strategy, annual work programmes, progress reports);
- report the outcomes of internal audit work, in sufficient detail to allow the committee to understand what assurance it can take from that work and/or what unresolved risks or issues it needs to address;
- establish if anything arising from the work of the committee requires consideration of changes to the audit plan, and vice versa;
- present an annual report on the effectiveness of the system of internal audit; and
- present an annual internal audit report including an overall opinion on the governance, risk and control framework

Any instances of non conformance with the Internal Audit Definition, Code of Conduct or the Standards must be reported to the Audit Committee, and in significant cases consideration given to inclusion in the Annual Governance Statement.

The Head of Devon Audit Partnership will advise the Audit Committee on behalf of the Council on the content of the Charter and the need for any subsequent amendment. The Charter should be approved and regularly reviewed by the Audit Committee.

CHARTER - QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

The PSIAS states that a quality assurance and improvement programme must be developed; the programme should be informed by both internal and external assessments.

An external assessment must be conducted at least once in five years by a suitably qualified, independent assessor. For DAP this was recently conducted at the end of 2021 by the Head of Southwest London Audit Partnership, and the Chief Internal Auditor of Orbis (a partnership organisation covering Brighton and Hove, East Sussex, and Surrey County Council).

The assessment result was that *“Based on the work carried out, it is our overall opinion that DAP generally conforms* with the Standards and the Code of Ethics”*.

The report noted that *“As a result of our work, a small number of areas where partial conformance was identified. These were minor observations, none of which were significant enough to affect the overall opinion”*. DAP is actively addressing these improvement areas.

*** Generally Conforms** – This is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards

AUDIT STRATEGY - PURPOSE

The PSIAS require the HoDAP to produce an Audit Charter setting out audits purpose, authority and responsibility. We deliver this through our Audit Strategy which:

- Is a high-level statement of how the internal audit service will be delivered and developed in accordance with the Charter and how it links to the organisational objectives and priorities;
- Should be approved, but not directed, by the Audit Committee.
- Will communicate the contribution that Internal Audit makes to the organisation and should include:
 - Internal audit objectives and outcomes;
 - How the HoDAP will form and evidence his opinion on the governance, risk and control framework to support the Annual Governance Statement;
 - How Internal Audit's work will identify and address significant local and national issues and risks;
 - How the service will be provided, and
 - The resources and skills required to deliver the Strategy.

The Strategy should be kept up to date with the organisation and its changing priorities.

AUDIT STRATEGY - OPINION ON THE GOVERNANCE, RISK AND CONTROL FRAMEWORK

A key objective of Internal Audit is to communicate to management an independent and objective opinion on the governance, risk and control framework, and to prompt management to implement agreed actions.

Significant issues and risks will be brought to the attention of the S.151 Officer as and when they arise. Regular formal meetings will be held to discuss issues arising and other matters.

The HoDAP will report progress against the annual audit plan and any emerging issues and risks to the Audit Committee. The HoDAP will also provide a written annual report to the Audit Committee, timed to support their recommendation to approve the Annual Governance Statement, to the Council.

The Head of Devon Audit Partnership's annual report to the Audit Committee will:

- Provide an opinion on the overall adequacy and effectiveness of the Council's governance, risk and control framework;
- Disclose any qualifications to that opinion, together with the reasons for the qualification;
- Present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance streams;
- Draw attention to any issues the HoDAP judges particularly relevant to the preparation of the Annual Governance Statement;
- Compare audit work actually undertaken against the work that was planned and summarise the performance of the internal audit function against its performance measures and targets; and
- Comment on compliance with the Public Sector Internal Audit Standards and communicate the results of the internal audit quality assurance programme.

AUDIT STRATEGY - PLANNING & AUDIT DELIVERY

INCLUDING LOCAL AND NATIONAL ISSUES AND RISKS

The audit planning process includes the creation of and ongoing revision of an “audit universe”. This seeks to identify all risks, systems and processes that may be subject to an internal audit review.

The audit universe will include a risk assessment scoring methodology that takes account of a number of factors including: the Council’s own risk score; value of financial transactions; level of change, impact on the public; political sensitivity; when last audited; and the impact of an audit. This will inform the basis of the resources allocated to each planned audit area.

The results from the audit universe will be used in creating an annual audit plan; such a plan will take account of emerging risks at both local and national level.

Assignment Planning & Delivery

Further planning and risk assessment is required at the commencement of each individual audit assignment to establish the scope of the audit and the level of testing required.

The primary objective of the audit is to provide management with an independent opinion on the risk and control framework through individual audits in the audit plan. Individual audits will be completed using our methodology in our Audit Manual to the standards set by PSIAS, to independently evaluate the effectiveness of internal controls. Our audit assignment report will communicate our opinion and include agreed management action, where required, to improve the effectiveness of risk management, control and governance processes.

AUDIT STRATEGY - PERFORMANCE MANAGEMENT AND QUALITY ASSURANCE

The PSIAS state that the HoDAP should have in place an internal performance management and quality assurance framework; this framework must include:

- A comprehensive set of *targets to measure performance*. These should be regularly monitored and the progress against these targets reported appropriately;
- Seeking *user feedback* for each individual audit and periodically for the whole service;
- A periodic review of the service against the Strategy and the achievement of its aims and objectives. The results of this should inform the future Strategy and be reported to the Audit Committee;
- Internal quality reviews to be undertaken periodically to ensure compliance with the PSIAS and the Audit Manual (self-assessment); and
- An action plan to implement improvements.

The PSIAS and the Internal Audit Manual state that internal audit performance, quality and effectiveness should be assessed for each individual audit; and for the Internal Audit Service as a whole. The HoDAP will closely monitor the performance of the team to ensure agreed targets are achieved. A series of performance indicators have been developed for this purpose (please see the following pages).

Customer feedback is also used to define and refine the audit approach. Devon Audit Partnership will seek feedback from: auditees; senior leadership; and executive management. The results from our feedback will be reported to Senior Management and the Audit Committee in the half year and annual reports.

The HoDAP is expected to ensure that the performance and the effectiveness of the service improves over time, in terms of both the achievement of targets and the quality of the service provided to the user.

AUDIT STRATEGY - PERFORMANCE MANAGEMENT AND QUALITY ASSURANCE



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Internal Audit
Performance
Monitoring
Targets

Other indicators
measured as part
of the audit
process that will be
captured and
reported to senior
management

Performance Indicator	Full year target
Percentage of Audit Plan completed	90%
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	90%
Draft reports produced with target number of days (currently 15 days)	90%
Final reports produced within target number of days (currently 10 days)	90%

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Task	Performance measure
Agreement of Annual audit plan	Agreed by Chief Executive, Leadership Team and Audit Committee prior to start of financial year
Agreement of assignment brief	Assignment briefs are agreed with and provided to auditee at least two weeks before planned commencement date.
Undertake audit fieldwork	Fieldwork commenced at agreed time
Verbal debrief	Confirm this took place as expected; was a useful summary of the key issues; reflects the findings in the draft report.
Draft report	Promptly issued within 15 days of finishing our fieldwork. Report is "accurate" and recommendations are both workable and useful.
Draft report meeting (if required)	Such a meeting was useful in understanding the audit issues
Annual internal audit report	Prepared promptly and ready for senior management consideration by end of May. Report accurately reflects the key issues identified during the year.
Presentation of internal audit report to Management and Audit Committee.	Presentation was clear and concise. Presented was knowledgeable in subject area and able to answer questions posed by management / members.
Contact with the audit team outside of assignment work.	You were successfully able to contact the person you needed, or our staff directed you correctly to the appropriate person. Emails, letters, telephone calls are dealt with promptly and effectively.

AUDIT STRATEGY - RESOURCES AND SKILLS

The PSIAS and the Audit Manual states that:

- Internal Audit must be appropriately staffed in terms of numbers, grades, qualifications and experience, having regard to its responsibilities and objectives, or have access to the appropriate resources;
- The Internal Audit service shall be managed by an appropriately qualified professional with wide experience of internal audit and of its management; and
- The Chief Audit Executive (Head of Devon Audit Partnership) should be of the calibre reflecting the responsibilities arising from the need to liaise with members, senior management and other professionals, and be suitably experienced.

DAP currently has c.40 staff who operate from any one of our three main locations (Plymouth, Torquay and Exeter), we also operate from offices at Torridge DC (Bideford), Mid Devon DC (Tiverton) and South Hams/West Devon Councils (Totnes). The Partnership employs a number of specialists in areas such as Computer Audit, Contracts Audit and Counter Fraud Investigators as well as a mix of experienced, professionally qualified and non-qualified staff.

The Partnership draws on a range of skilled staff to meet the audit needs. Our current staff includes: -

- 4 x Chartered Accountants
- 7 x qualified IIA (CMIIA and PIIA)
- 1 x qualified computer audit (QICA & CISA)
- 1 x risk management (IRM)
- 10 x AAT (qualified and part qualified)
- 6 x ACFS / ACFT (accredited counter fraud specialists)
- 5 x ILM (Institute of Leadership & Management) level 5 or above
- 5 Apprentices (Finance, Data Analyst, IIA, Business Admin)

AUDIT STRATEGY - STAFF DEVELOPMENT AND TRAINING AND USE OF MK AUDIT

Staff Skills and Development

Devon Audit Partnership management assess the skills of staff to ensure the right people are available to undertake the work required.

Staff keep up to date with developments within internal audit by attending seminars, taking part in webinars and conferences, attending training events and keeping up to date on topics via websites and professional bodies. Learning from these events helps management to ensure they know what skills will be required of our team in the coming years, and to plan accordingly.

Devon Audit Partnership follows formal appraisal processes that identify how employees are developing and create training and development plans to address needs.

Internal Audit Software System

Devon Audit Partnership uses Pentana MK as an audit management system. This system allows Partnership management to effectively plan, deliver and report audit work in a consistent and efficient manner. The system provides a secure working platform and ensures confidentiality of data. The system promotes mobile working, allowing the team to work effectively at client locations or at remote locations should the need arise.



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Internal Audit Plan 2023-24

Mid Devon District Council Audit Committee

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March 2023

Tony Rose
Head of Audit Partnership

Agenda Item 11.

CUSTOMER
SERVICE
EXCELLENCE



Introduction

Internal auditing is defined by the Public Sector Internal Audit Standards (PSIAS) which set out the requirements of a 'Board' and of 'senior management'. For the purposes of the internal audit activity within the Council the role of the Board within the Standards is taken by the Council's Audit Committee and senior management is the Council's Leadership Team.

This Council's Internal Audit Charter formally describes the purpose, authority, and principal responsibilities of the Council's Internal Audit Service, which is provided by the Devon Audit Partnership (DAP) as represented in the audit framework at appendix 1, and the scope of Internal Audit work. The PSIAS refer to the role of "Chief Audit Executive". For the Council this role is fulfilled by the Head of Devon Audit Partnership.

The Audit Committee, under its Terms of Reference contained in the Council's Constitution, is required to review, and approve the Internal Audit Plan to provide assurance to support the governance framework (see appendix 2).

The chief audit executive is responsible for developing a risk-based plan which takes into account the organisation's risk management framework, including using risk appetite levels set by management for the different activities or parts of the organisation as represented in appendix 3.

The audit plan represents the proposed internal audit activity for the year and an outline scope of coverage. At the start of each audit the scope is discussed and agreed with management with the view to providing management, the Director of Finance (Section 151) and members with assurance on the control framework to manage the risks identified. The plan will remain flexible, and any changes will be agreed formally with management and reported to Audit Committee.

Expectations of the Audit Committee for this annual plan

Audit Committee members are requested to consider:

- the annual governance framework requirements.
- the basis of assessment of the audit work in the proposed plan.
- the resources allocated to meet the plan.
- proposed areas of internal audit coverage in 2023-24.

In review of the above the Audit Committee are required to approve the proposed audit plan.

Tony Rose
Head of Audit Partnership

Contents

Introduction
Development of the Plan
Audit Plan Summary
Fraud Prevention and Detection
Audit Plan

Appendices

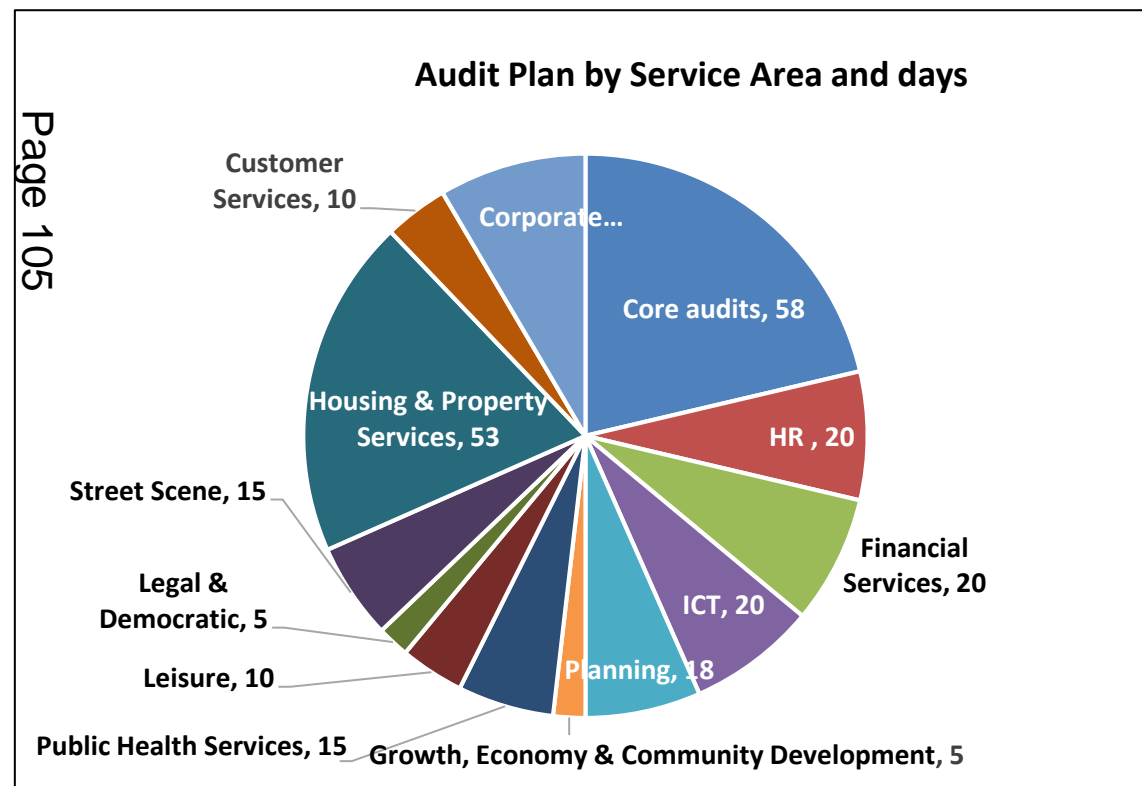
1 – Audit Framework
2 – Annual Governance Framework
3 – Audit Needs Assessment
4 – Audit delivery Cycle
5 – Sector Risks

Development of the Plan

This year's audit plan has been developed through discussions with the Councils Leadership Team, and consideration of the Council's risk register and plan. We also considered the Assurance Map, which is in the March update paper. It is also informed by previous audit findings, and our awareness of current themes and risks, such as Cyber Security, Climate Change, and other public sector risks (see appendix 5). We have maintained a 4-year plan to help identify future resource requirements and ensure good coverage of areas over the period. This can be provided to Audit Committee if requested.

Audit Plan Summary

Audit coverage for the year is in the region of 312 days compared to 345 days agreed for 2022/23. The audit days have been reduced from last year at management request to hold costs at current levels. We remain confident that the reduced days will still allow us to provide a good level of assurance across council areas, and creation of an annual assurance opinion.



Our audit plan is grouped into the different management areas shown in the chart, with further detail provided in the table.

The Audits fall into the following areas:

- Core audits, largely related to “key financial systems” that process most of the Council’s income and expenditure and which have a significant impact on the reliability and accuracy of the annual accounts. These include Payroll, Creditors, Main Accounting System, Council Tax, and Housing Benefit.
- Risk based audits within the service delivery areas.
- Corporate Assurance that relates to how the council is governed and managed.

In accordance with the Public Sector Internal Audit Standards, the plan is flexible, to reflect and respond to the changing risks and priorities of the Authority. As a result, it will be regularly reviewed and updated (at a minimum in six months) to ensure it remains valid and appropriate, particularly for assurance on specific Covid-19 areas.

Detailed terms of reference will be drawn up and agreed with management prior to the start of each assignment – in this way we ensure that the key risks to the operation or function are considered in each audit.

Audit Management

One area of our plan is classified as “Audit Management”. This is work that ensures effective and efficient services are provided to the Council and the internal audit function continues to meet statutory responsibilities. In some instances, this work will result in a direct output (i.e., an audit report) but in other circumstances the output may simply be advice or guidance. Some of the areas that this may cover include:

- Preparing the internal audit plan and monitoring implementation.
- Preparing and presenting monitoring reports to Leadership and the Audit Committee.
- Assistance with the Annual Governance Statement.
- Liaison with other inspection bodies (e.g., Grant Thornton).
- Corporate Governance - Over recent years Internal Audit has become increasingly involved in several corporate governance and strategic issues, and this involvement is anticipated to continue in the coming year.
- On-going development within the Partnership to realise greater efficiencies in the future.

Partnership working with other auditors

We will continue to work towards the development of effective partnership working arrangements between ourselves and other audit agencies where appropriate and beneficial. We will participate in a range of internal audit networks, both locally and nationally, which provide for a beneficial exchange of information and practices. This often improves the effectiveness and efficiency of the audit process, through avoidance of instances of “re-inventing the wheel” in new areas of work which have been covered in other authorities.

The most significant partnership working arrangement that we currently have with other auditors continues to be that with the Council’s external auditors (Grant Thornton), One West and Audit Southwest (Internal Audit for NHS).

Fraud Prevention and Detection

Counter-fraud arrangements are a recognised risk for the Council and assist in the protection of public funds and accountability. To address this, the authority is encouraged to agree a separate plan of counter fraud work.

Our Counter Fraud service oversees investigations, instances of suspected fraud and irregularities referred by managers and also carry out testing of systems considered most at risk to fraud. Our services liaise with the Council to focus resource on identifying and preventing fraud before it happens. This work is informed by the Fraud Strategy for Local Government “Fighting Fraud Locally”, and the publication “Protecting the English Public Purse”. Additional guidance recently introduced by CIPFA, in their ‘Code of practice on managing the risk of fraud and corruption’, and the Home Office ‘UK Anti-Corruption Plan’, are also relevant.

Mid Devon Draft Internal Audit Plan for 2023/24

Audit Area	Last Audited	Frequency	Days 23/24	Comments
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CORE FINANCIAL ASSURANCE AUDITS (Annual / Biennial)

Council Tax and NNDR	2021/22 (Reasonable)	Annual	10	Compliance Review
Income and Cash Collection (incl Debtors, Electronic payments)	2022/23 (Reasonable)	Annual	7	Compliance review (including follow up) and consideration of implications of team structure changes (linked to creditors) and data quality.
Debt Recovery	2022/23 (TBC)	Annual	7	Systems documentation and consideration of scope of operation as corporate recovery team.
Main Accounting System	2022/23 (Reasonable)	Annual	7	CORPORATE RISK: Funding Availability (20) / Budget Cuts (20) Compliance review (inc. follow-up) and consideration of implications of staff changes. How MTFP and Business Plans are built in budget setting & monitoring process.
Housing Benefits	2022/23 (Reasonable)	Annual	10	Compliance review (inc. follow-up) Customer On-line Access (New System)
Creditors	2022/23 (Reasonable)	Annual	7	Compliance review (inc. follow-up) and consideration of implications of team structure changes (linked to income) and data quality control.
Trade Waste (Biennial)	2021/22 (Reasonable)	2 yearly	10	

RISK BASED AUDITS

Human Resources

Travel and Subsistence (incl Pool cars)	2017/18	3 yearly	5	
Staff survey and action plan	NA	NA	5	Provide critical friend support to staff survey

Financial Services & Procurement

Asset management incl Leasing (Property/Vehicles/Equipment/IT)	2022/23	3 yearly	10	Specific management and accounting of assets, assets registers
Contract Management - Contract Register & Contracts	2020/21	2 yearly	10	Includes Third Party Risk - Full risk-based review (link to Collaborative and Partner Working audit)

ICT

IT and Cyber Security	2022/23 (Limited)	Annual	20	CORPORATE RISK: CYBER SECURITY To include follow up of Limited Assurance report
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Planning

Building Control (incl income and all other areas)	2020/21(Reasonable)	3 yearly	8	
Enforcement	2017/18		10	

Growth, Economy & Community Development

Markets	2014/15	4 yearly	5	While high risk, Tiverton Pannier Market is only £70k a year, and changes to current market infrastructure not expected for some time so audit time may not be needed?
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Public Health Services

Private Sector Housing	2019/20		10	DFG, licensing of multiple occupation properties
Emergency Planning	2021/22 (Reasonable)	3 yearly	5	Follow up to assess status on implementation of recommendations

Leisure (one centre per year)

Exe Valley Leisure Centre (incl income and all other areas)	2019/20	3 yearly	10	CORPORATE RISK: SHORTAGE OF CHLORINE To include follow up of Culm Valley report (Limited Assurance report)
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Legal & Democratic Services

Members Allowances	2019/20		5	
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Street Scene

Waste & Recycling	2021/22 (Substantial)	2 yearly	10	Significant risk as Government has announced Councils need to get to 65% of waste recycling
Street Cleaning & Public Cleaning	Not Known		5	

Customer Services

Community Engagement & Consultation	2019/20 (Reasonable)	3 yearly	10	
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Housing & Property Services

Repairs and Maintenance	2022/23 (Limited)	2 yearly	5	Alternate Housing or Property. 2023 - Property Follow up for 23/24 following Limited Assurance 2022/23
Stores	2021/22 (Reasonable)	2 yearly	8	
Health & Safety Management Arrangements - Housing Stock	Not Known	2 yearly	10	
Void Management Arrangements (Housing Stock)	2022/23 (NA)	3 yearly	5	Follow up of work done in 2022/23
Void Management Arrangements (Business Property Stock)	2016/17	3 yearly	5	
Letting of Housing Stock	2019/20	3 yearly	10	Letting of property through Devon Home Choice
Housing Options	2018/19	3 yearly	10	CORPORATE RISK: HOMES FOR UKRAINE Relates to Homelessness and Homes for Ukraine etc.

Corporate Assurance

Governance - inc Ethics and Culture	2021/22 (Reasonable)	2 yearly	5	
Safeguarding	2021/22 (Reasonable)	2 yearly	5	Corporate Safeguarding, Housing Tennant Services and Housing Repairs etc
Housing Company (3 Rivers)	2021/22	As Required	5	CORPORATE RISK: FAILURE OF THREE RIVERS
Performance Management	Not known	3 yearly	8	2021 Process and evidence base review of new indicators
Grant Assurance	2022/23	As Required		Days required to be taken out of contingency where possible.

Page 1 of 1

AUDIT MANAGEMENT GOVERNANCE

Audit Governance	35	Audit Plan; Recommendations; Annual Report etc
Fraud/Irregularity and prevention	5	Includes Annual Fraud Assurance report
Consultancy/Advice/Contingency/Assurance Map	10	

Appendix 1 - Audit Framework

Internal Audit is a statutory service in the context of The Accounts and Audit (England) Regulations 2015, which state: “A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards (PSIAS) or guidance”.

DAP, through external assessment, demonstrates that it meets the Public Sector Internal Audit Standards (PSIAS).

The Standards require that the Chief Audit Executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals”. When completing these plans, the Chief Audit Executive should take account of the organisation’s risk management framework. The plan should be adjusted and reviewed, as necessary, in response to changes in the organisation’s business, risk, operations, programs, systems and controls. The plan must take account of the requirement to produce an internal audit opinion and assurance framework.

This audit plan has been drawn up, therefore, to enable an opinion to be provided at the end of the year in accordance with the above requirements.



We will seek opportunity for shared working across member authorities. In shared working Devon Audit Partnership will maximise the effectiveness of operations, sharing learning & best practice, helping each authority develop further to ensure that risk remains suitably managed.

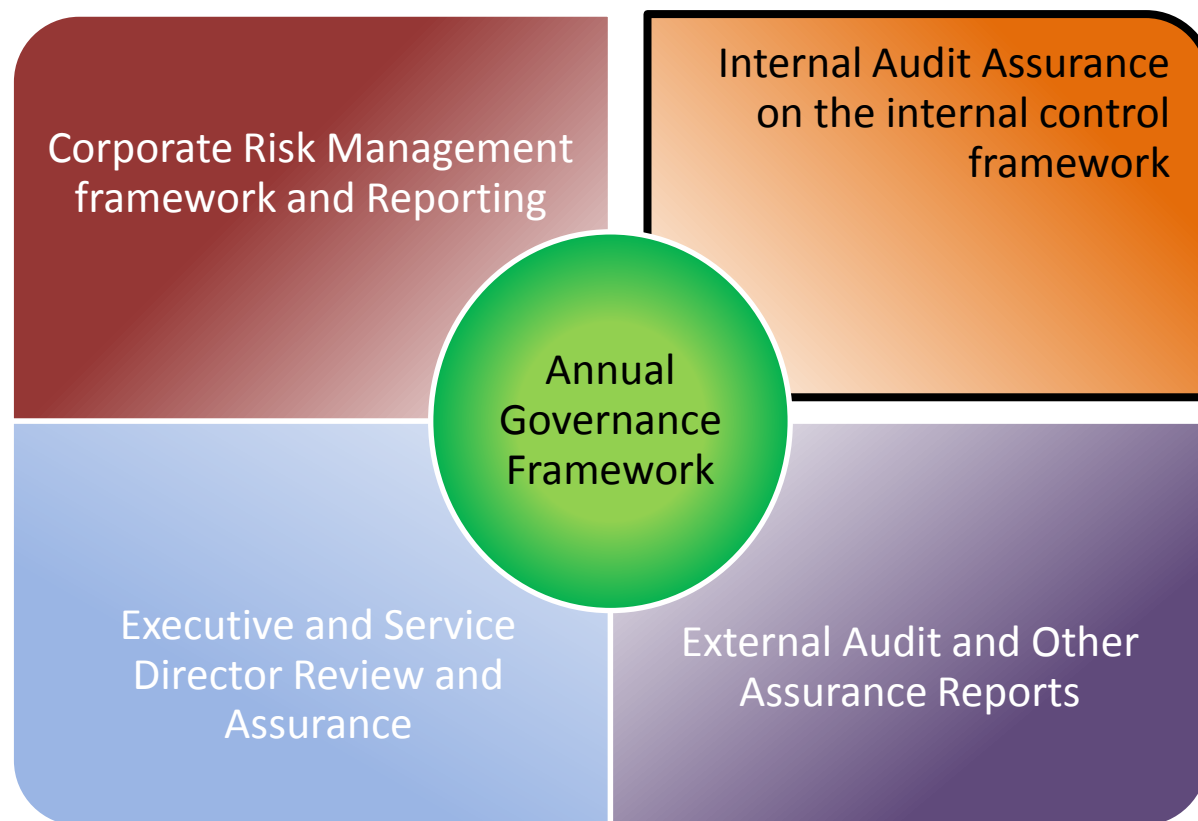
Appendix 2 - Annual Governance Framework Assurance

The Annual Governance Statement provides assurance that

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

The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should:

- be prepared by senior management and signed by the Chief Executive and the Mayor.
- highlight significant events or developments in the year.
- acknowledge the responsibility on management to ensure good governance.
- indicate the level of assurance that systems and processes can provide.
- provide a narrative on the process that is followed to ensure that the governance arrangements remain effective. This will include comment upon.
 - The Authority.
 - Governance Committee.
 - Risk Management.
 - Internal Audit
 - Other reviews / assurance
- Provide confirmation that the Authority complies with CIPFA's recently revised International Framework – Good Governance in the Public Sector. If not, a statement is required stating how other arrangements provide the same level of assurance.



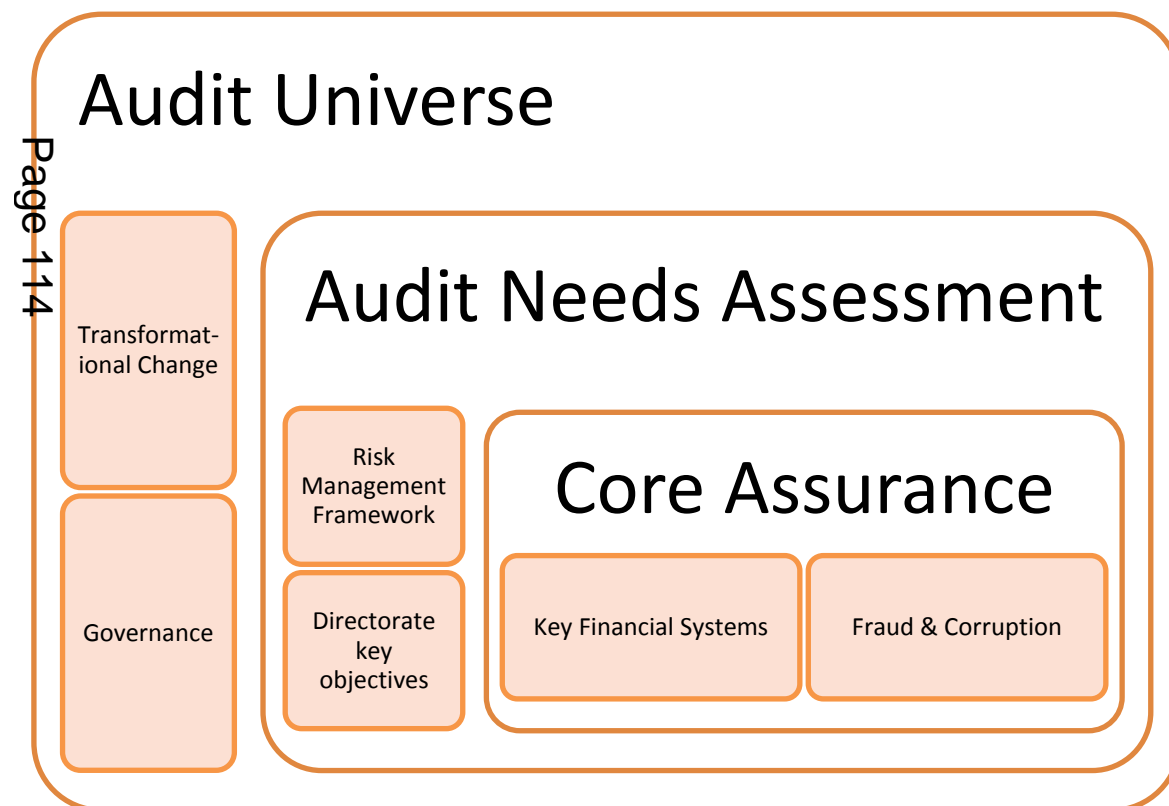
The AGS needs to be presented to, and approved by, the Governance Committee, and then signed by the Chair.

The Committee should satisfy themselves, from the assurances provided by the Annual Governance process, SLT, Internal Audit, and other assurance providers (e.g. Audit South West) that the statement meets statutory requirements.

Appendix 3 - Audit Needs Assessment

Our process to create the audit plan includes discussions with management, review of risk registers, consideration of previous work. We also consider the Audit Universe we maintain for the council. Ultimately, our requirement is to undertake a broad-based audit plan of work that supports provision of an end of year assurance report to support the council's own governance statement.

The result is the Internal Audit Plan set out earlier in this report.



The audit plan for the year plan has been created by:

Consideration of risks identified in the Authority's strategic and operational risk registers

Review and update of the audit universe

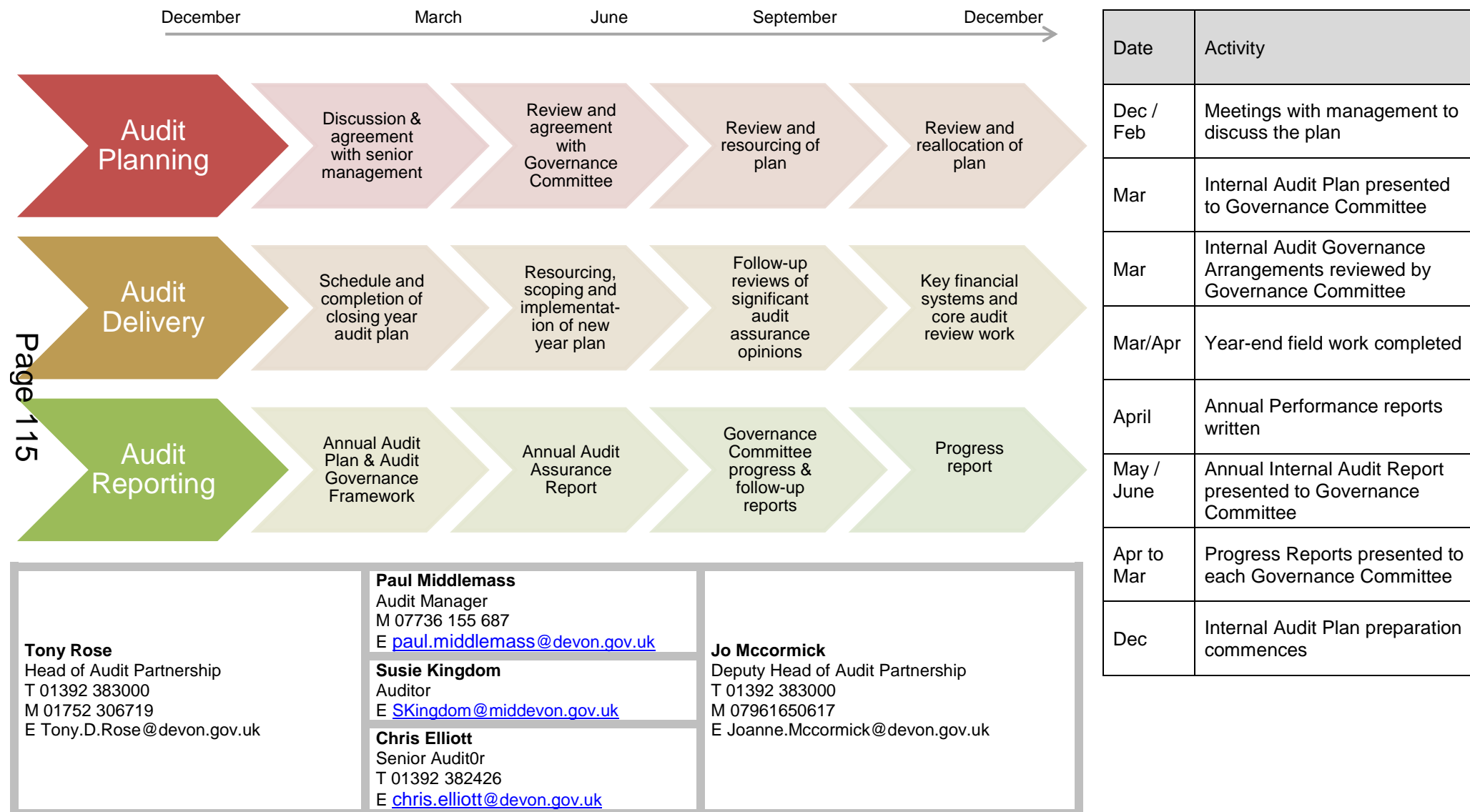
Discussions and liaison with Directors and Senior Officers regarding the risks which threaten the achievement of corporate or service objectives, including changes and / or the introduction of new systems, operations, programs, and corporate initiatives

Taking into account results of previous internal audit reviews

Taking into account Internal Audit's knowledge and experience of the risks facing the Authority, including factors and systems that are key to successful achievement of the Council's delivery plans

Requirements to provide a "collaborative audit" approach with the external auditors

Appendix 4 - Our Audit Team and the Audit Delivery Cycle



Appendix 5 Sector Risk Model

(Source Institute of Internal Auditors – Risk in Focus 2023)

Key Risk areas:

Cyber security remains the number one concern for almost everyone.

Human Capital – staffing has become more important given manpower shortages.

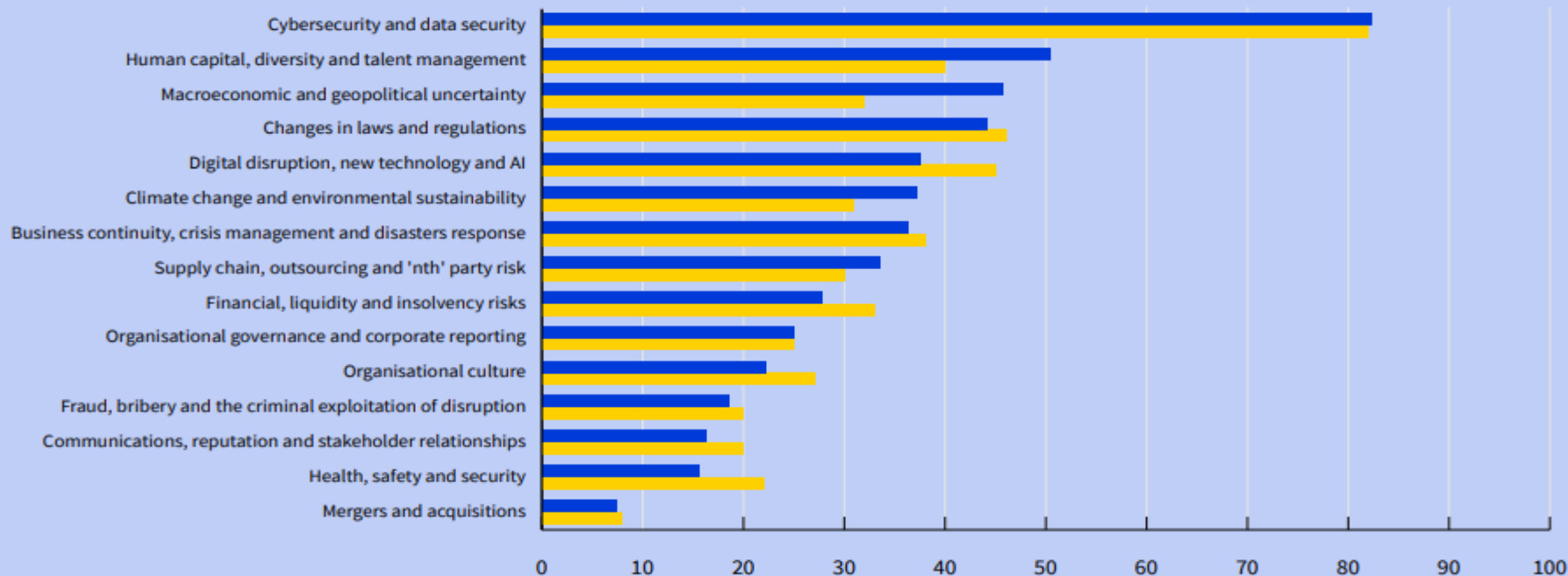
Macroeconomic and geographical uncertainty has also increased in importance, not surprising given the international situation of conflict in Ukraine and tension with China.

Changes in laws and regulations are also important although a slight reduction since last year.

Climate change is increasingly back on the agenda.

What are the top five risks your organisation currently faces?

Human capital risk moves into second place this year followed by macroeconomic and geopolitical uncertainty.



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

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Audit Committee 2022-23

Chairman's Report

At the start of the new civic year the membership of the Audit Committee was bolstered from seven to nine members, with councillors Nikki Woollatt and Ray Stanley being welcomed as new members. The increase in the committee's size is a recognition of the important role the committee plays in the governance of the Council.

At each of our bimonthly meetings we receive reports from both internal auditor, Devon Audit Partnership (DAP) and external auditor Grant Thornton. We also receive regular performance and risk reports. Devon Audit Partnership, audit the many services and functions across the Council and provide us with their reports and opinion on risks and the adequacy and effectiveness of internal controls and update us on progress made by services in addressing recommendations made by internal audit. At our January meeting we were also presented with their Counter Fraud Resilience and Assessment Report.

The Audit Committee approved the updated 'Data Quality Policy' at our November meeting and updated Anti-Fraud, Bribery and Corruption Policy and Strategy' at our January meeting. We also recommend approval of a new Procurement Strategy. At our November meeting we considered the business plan being presented by 3 Rivers Development and provided Cabinet with our opinion and recommended that the business plan not be supported in the form presented, due to the level of risk to the Council.

Grant Thornton have been our external auditor for many years, they are however appointed on our behalf through the Public Sector Audit Appointments (PSAA) scheme, of which we opt to be part and following the most recent tendering exercise Bishop Fleming are to be our new external auditors commencing with the 2023/24 year. Grant Thornton will still audit the 2022/23 accounts and therefore provide their reports and opinions to the Audit Committee in respect of that audit, but the Committee will also start to hear from Bishop Fleming over the course of the next year. Our thanks to Grant Thornton for all the work they have done for Mid Devon and the support and advice they have provided to the committee over many years.

As the Committee chairman I have attended meetings Devon Audit Partnership Committee, on which each member authority is represented and also South West Councils Chairs of Audit Forum. This included attending a very useful Chair of Audit and Governance workshop at Taunton Racecourse in June. It is always good to meet members from other authorities hear about the work they undertake and issues they experience.

My thanks my Vice Chairman Cllr Andy Wyer for his support, and all the other members of the Audit Committee for their commitment and work. Thanks to officers of the Council for all they do, Andrew Jarrett, Deputy CEO & S151 officer, Paul Deal, Corporate Manager for Finance and his team who put together the Council's accounts, Matthew Page, Corporate Manager for People, Governance and Waste and Paul Middlemass from Devon Audit Partnership. A special thank you to Sarah Lees our Member Services Officer who ensures the efficient working of our committee.

Cllr Neal Davey

Chairman of the Audit Committee

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