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Mid Devon District Council

Audit Committee

Tuesday, 29 September 2015 at 5.30 pm
Exe Room, Phoenix House

Next ordinary meeting
Tuesday, 17 November 2015 at 5.30 pm

Those attending are advised that this meeting will be recorded

Membership

Cllr R Evans
Cllr Mrs J B Binks
Cllr Mrs C Collis
Cllr R M Deed
Cllr T G Hughes
Cllr F W Letch
Cllr R F Radford

A G E N D A

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

1. **Apologies**
To receive any apologies for absence.
2. **Public Question Time**
To receive any questions relating to items on the Agenda from members of the public and replies thereto.
3. **Chairman's Announcements**
To receive any announcements that the Chairman may wish to make.
4. **Minutes of the previous meeting** (*Pages 5 - 10*)
To approve as a correct record the Minutes of the meeting held on 28 July 2015 (copy attached).
5. **Performance and Risk Q1** (*Pages 11 - 32*)
To receive a report from the Head of Communities and Governance providing Members with an update on performance against the Corporate Plan and local service targets for 2015/16 as well as providing an update on any key business risks.

6. **Internal Audit Progress Report** (Pages 33 - 42)
To receive a report from the Internal Audit Team Leader updating the Committee on the work performed by Internal Audit for the 2015/16 financial year. To include an update regarding any remaining outstanding high priority recommendations.
7. **Internal Audit Reports (standing item)**
Committee to discuss any issues arising from any Audit reports they have received since the last meeting. During discussion of this item it **may** be necessary 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 will 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.

ACCESS TO INFORMATION ACT – EXCLUSION OF THE PRESS AND PUBLIC

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 section 100I and paragraph 3 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).

(Please note: This is a standing item which may not be needed should discussion have taken place regarding internal audit reports under another item on the agenda)

8. **Future position regarding external auditors**
To receive a verbal update from the Internal Audit Team Leader regarding the timetable and procedure needed to appoint future external auditors.
9. **Car parking charges - challenge** (Pages 43 - 46)
Attached to this agenda is the detailed response from Grant Thornton to the challenge raised against the 2013/14 Accounts by Cllr Mrs Roach. Officers will ensure that the next update of the Traffic Regulations Order will include reference to discounts being made available for bulk purchases of car parking permits. The precise details of these arrangements will be considered at a meeting of the Managing the Environment Policy Development Group on 24 November 2015.

10. **Minor Amendments to the Financial Regulations**
To receive a verbal update from the Head of Finance regarding some minor changes to the wording of the Financial Regulations.
11. **External Audit update** (*Pages 47 - 58*)
To receive an update report from the external auditors regarding their progress to date.
12. **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:
 - Internal Audit Progress Report
 - Internal Audit Reports
 - Performance and Risk Q2
 - Presentation from the Internal Audit Team regarding current audit issues
 - External Audit update

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

Kevin Finan
Chief Executive
Monday 21 September 2015

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

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

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

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

Tel: 01884 234310

E-Mail: slees@middevon.gov.uk

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **AUDIT COMMITTEE** held on 28 July 2015 at 5.30 pm

Present

Councillors

R Evans (Chairman)
Mrs J B Binks, Mrs C Collis, R M Deed, F Letch and
R F Radford

Also Present

Councillors

P H D Hare-Scott and Mrs J Roach

Present

Officers

Andrew Jarrett (Head of Finance), Amy Tregellas (Head of Communities and Governance and Monitoring Officer), Catherine Yandle (Internal Audit Team Leader) and Sarah Lees (Member Services Officer)

Also in

attendance

S Johnson and G Daly from Grant Thornton

14. **APOLOGIES**

There were no apologies for absence.

15. **PUBLIC QUESTION TIME**

There were no members of the public in attendance.

16. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman reminded the Committee that at the previous meeting he had offered to write to the Chairman of Scrutiny and the Cabinet regarding the issues raised with regard to sickness and the food inspections. He confirmed that he had done this and that he had attended a meeting of the Scrutiny Committee where the issues were discussed and a working group created to look at these and associated issues. He had been told by the Leader that if there were concerns over failed targets that he should speak to the individual Cabinet Members concerned.

17. **ELECTION OF VICE CHAIRMAN FOR 2015/16**

RESOLVED that Cllr Mrs J B Binks be elected Vice Chairman of the Audit Committee for the municipal year 2015/16.

(Proposed by Cllr R Evans and seconded by Cllr Mrs C Collis)

18. **MINUTES OF THE PREVIOUS MEETING**

The Minutes of the previous meeting were confirmed as a true and accurate record and signed by the Chairman.

19. ANNUAL GOVERNANCE STATEMENT

The Committee had before it a report * from the Head of Communities and Governance presenting the Committee with the finalised Annual Governance Statement and accompanying action plan for 2014/15.

The Annual Governance Statement had been subject to review by the Council's external auditor during the review of the Annual Report and Accounts and no recommendations had been made in respect of this document.

Discussion took place regarding:

- A number of sources of assurance being required to complete the AGS.
- The Constitution was updated as and when any amendments were approved by Council. Legal Services were going through the document chapter by chapter, revisions would be presented before the Standards Committee with recommendations to full Council as soon as possible.
- The perceived absence of a youth officer in the Crediton area despite the town council providing funding. The Head of Communities and Governance agreed to look into the matter and arrange for a member of her staff to contact to Crediton Town Clerk.

RESOLVED that the Annual Governance Statement be approved and that the Leader of the Council and the Chief Executive sign the Statement as per the statutory guidance.

(Proposed by the Chairman)

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

20. ANNUAL REPORT AND ACCOUNTS 2014/15

The Committee had before it a report * from the Head of Finance outlining the changes made to the accounts subsequent to the draft set presented to the Audit Committee at its meeting on the 23rd June 2015. These were very few and not material in any way. They included:

- Under 'External Audit Costs' on page 84 an amount of £5k should have been included for some additional work undertaken by Grant Thornton.
- 'Cash and Cash equivalents' figures on page 101 and 102 needed to correspond and should both have read £5.39m

The Committee were informed that it had been a very successful audit but that after the accounts had been signed off a process needed to be gone through whereby generic comments within the report that were not applicable to Mid Devon District Council were removed for next year.

RESOLVED that the annual report and accounts be approved (subject to the recommendations made by the external auditor, Grant Thornton) and that the Committee formally approve and sign the letter of representation.

(Proposed by the Chairman)

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

21. **GRANT THORNTON - 2014/15 AUDIT FINDINGS**

The Committee had before it, and **NOTED**, a report * from Grant Thornton, external auditors to the Council. This report highlighted the significant findings arising from their audit as required by International Standard on Auditing (UK & Ireland) 260.

It was explained that it had been challenging merging the new accounts timetable between the external auditors and the Council. However, this had been achieved and once the accounts had been formally signed off Mid Devon District Council would have been the first in the south west to do so.

The accounts in their opinion had been free of significant errors, there being only two unadjusted items. They were proposing to issue an unqualified opinion the following day on the Financial Statements and Value for Money.

Discussion took place regarding:

- Grant Thornton had reviewed managements' assessment of the Council as a 'Going Concern' and were satisfied with their assessment that the going concern basis was appropriate for the 2014/15 financial statements. A 'Going Concern' was described as being an ability of an organisation to continue to exist 14 months after the external auditors had issued their opinion.
- Regarding internal controls, Grant Thornton had commented that two Section 106 receipts had not been invoiced or accrued for at the year end. Management had commented that this had happened as a result of staff shortages but that a robust process would be in place for next year.
- External audit fees and how they were arrived at. Fees regarding two challenges to the accounts had fallen in to 2014/15. Grant Thornton reiterated the fact that they were independent and abided by ethical standards whenever asked to conduct an investigation.

One of the challenges to the accounts had been instigated by Cllr Mrs J Roach and had related to a decision to offer discount car parking permits to a particular company. The Head of Finance stated that a car parking working had been set up and a recommendation would be going to the Managing the Environment Policy Development Group on 4 August to offer a discount level for bulk purchasing of car parking permits across the board. The car parking order had subsequently been amended but in the Councillor's opinion this had not happened early enough. She had been unable to pursue her complaint through the Ombudsman and felt that there ought to be a way of tracking such issues through a Committee. It was **AGREED** that an item be placed on the agenda for the next meeting thereby providing new Members to the Committee with the background to the issue and allowing time for officers to provide fuller explanations as to what had happened historically and what the plan was for the future.

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

22. INTERNAL AUDIT PROGRESS REPORT

The Committee had before it, and **NOTED**, a report * from the Internal Audit Team Leader updating the Committee on the work performed by Internal Audit for the 20105/16 financial year thus far. System audits had commenced already and core audits were due to commence in the following week. It was explained that the percentage of outstanding recommendations had gone down from 41% to 39% which was a move in the right direction.

For the benefit of new Members the Chairman explained that it had been agreed by the Committee in the previous municipal year that an annual meeting would be held to specifically discuss outstanding recommendations and that this needed to be a separate item on the agenda for the next meeting on 29 September 2015. He further informed them that the Chief Executive had agreed to meet with Heads of Service to discuss the outstanding recommendations and what action had taken place to resolve these issues. It was **AGREED** that the Chief Executive would be invited to attend the next meeting. In order to facilitate this discussion it would be necessary to have a report listing all of the outstanding recommendations in one place. The Committee were asked to contact Member Services in advance if they wanted information relating to a specific audit so that the necessary research could be undertaken before the meeting.

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

23. INTERNAL AUDIT REPORTS (STANDING ITEM)

Discussion took place regarding the following internal audit reports:

Vehicles and fuel

It was disappointing to note that the Council still did not have the evidence at present to prove that employees had a valid driving licence and that the target date for the completion of a Transport Policy was 31 March 2016. It was explained that the Council employed an independent company to check the driving licences of staff once they had given permission and that this was a much more cost effective method than it being carried out in-house. The question was asked as to whether the driving licences of Members were also checked. The Head of Communities and Governance agreed to look into this.

Recruitment

The process of Job Evaluation was explained by the Head of Communities and Governance.

It was **AGREED** internal audit reports ought to be made available to all Members. A note should be placed in WIS informing Members that these reports had been completed and were available upon request.

24. GRANT THORNTON - FEE LETTER

The Committee had before it, and **NOTED**, a letter * from Grant Thornton setting out its fees for the 2015/16 audits. It also included an indication of the phasing of work and suggested timings.

Note: * Letter previously circulated; copy attached to the signed Minutes.

25. IDENTIFICATION OF ITEMS FOR THE NEXT MEETING - 29 SEPTEMBER 2015

In addition to the items already listed in the work programme for the next meeting, the following additional items were requested to be on the agenda:

- Discounts for bulk purchasing of car parking permits
- Outstanding audit recommendations
- Grant Thornton – Financial Resilience report

(The meeting ended at 6.50 pm)

CHAIRMAN

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AUDIT COMMITTEE 29 SEPTEMBER 2015:

PERFORMANCE AND RISK REPORT FOR THE FIRST QUARTER OF 2015-16

Cabinet Member Cllr Peter Hare-Scott
Responsible Officer Head of Communities & Governance

Reason for Report: To provide Members with an update on performance against the corporate plan and local service targets for 2015-16 as well as providing an update on the key business risks.

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

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

Financial Implications: None identified

Legal Implications: None

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

1.0 Introduction

- 1.1 Appendices 1-6 provide Members with details of performance against the Corporate Plan and local service targets for the 2015-16 financial year.
- 1.2 Appendix 7 shows the higher impact risks from the Corporate Risk Register. This includes operational and Health and Safety risks where the score meets the criteria for inclusion
- 1.3 All appendices are produced from SPAR, the Corporate Service Performance and Risk Management system.
- 1.4 When benchmarking information is available it is included.

2.0 Performance

Managing the Environment Portfolio - Appendix 1

- 2.1 The **carbon footprint** results for 2014-15 are now available; Pre degree-day adjustment is 28.2% and post degree-day adjustment is 21.7%. These should be viewed as one-off as they are a result of the Anesco spend to save project. Going forward the savings year on year will be closer to the usual 2% target.

2.2 The PIs have been provided for this quarter for **waste** but please be aware that they are currently un-verified by Waste Data Flow so they could change slightly. The missed collections have been given in numbers and % terms.

2.3 There is a new PI regarding **Fixed Penalty Notices** for your information.

Decent and affordable Homes Portfolio - Appendix 2

2.4 **Repairs** performance is generally on target. The interpretation of “% repairs completed at first visit” is under review at the moment as the Housemark definition is unrealistically strict.

2.2 For **rent collection** we are looking into profiling the target to make it more accurate. Some other PIs are already reported this way.

2.3 The position regarding % **decent**, **gas safety certificates** and **voids** can be found on Appendix 2.

Community Well Being Portfolio - Appendix 3

2.7 For Q1 the number of **empty shops** in all 3 main towns is below the “target” which is good but the number of empty shops in Tiverton has noticeably increased from Q4 2014/15 however as at 30 June this has reduced again.

2.8 For **leisure** retention of members is good but the operational recovery rate is currently below target.

Planning and Regeneration Portfolio - Appendix 4

2.11 It continues to be a challenging period for the **Planning** Service in terms of staffing. Recruitment has been undertaken to replace the majority of vacancies. New members of staff have recently arrived or are expected shortly. Whilst the staffing situation has improved during this first quarter, the development management team is not yet at full complement and staffing change within this team will continue throughout the financial year as a result of maternity leave and associated cover arrangements. Priority continues to be given to meeting all the critical targets in relation to special measures and timescales that would result in a cost to MDDC if they were not met.

Working Environment Portfolio - Appendix 5

2.12 Although below the current target, the **sickness** figures continue to be monitored closely and we are working with managers to ensure that they always complete return to work interviews and follow the appropriate path i.e. capability if there is an issue.

2.13 There have been a few teething problems with the statistics for **Customer First** as a result of the new website and complaints system being introduced. The information will become more reliable as the year progresses.

Finance Portfolio - Appendix 6

- 2.14 Both % **Council Tax** and % **NDR** collected are slightly below target at present.

3.0 Risk

- 3.1 The Corporate risk register is reviewed by Management Team (MT) and updated. Risk reports to committees include risks with a total score of 15 or more and all those with an impact score of 5. (Appendix 7)
- 3.2 Service and Corporate Business risks will be reviewed when the Corporate Plan for 2015-19 is published.
- 3.2 The profile of these risks for this quarter is:

Impact	5	15	2			
	4					
	3					
	2					
	1					
		1	2	3	4	5
Likelihood						

4.0 Conclusion and Recommendation

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

Contact for more Information: Amy Tregellas, Head of Communities & Governance ext 4246

Circulation of the Report: Management Team and Cabinet Member

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MTE PDG Performance Report - Appendix 1

Quarterly report for 2015-2016

No headings

For Environment - Cllr Neal Davey Portfolio

For MDDC - Services

Filtered by Performance Status: Exclude PI Status: Data not due, Not calculable

Key to Performance Status:

Performance
Indicators:

No Data

Well below target

Below target

On target

Above target

Well above target

MTE PDG Performance Report - Appendix 1

Performance Indicators

Status	Title	Prev Year End	Annual Target	Current Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act
Well below target	<u>Number of Fixed Penalty Notices (FPNs) Issued (Environment)</u>	n/a	20	5 (1/4)	2			
Management Notes:								
Above target	<u>Residual household waste per head</u>	462.6	455.00	113.75 (1/4)	108.12			
Management Notes: (Quarter 1)								
Estimate as currently waiting for figures to be verified by Waste Data Flow at DCC.								
(SK)								
Data not entered	<u>% of Household Waste Reuse, Recycled and Composted</u>	48.2%	52.0%	52.0%				
Management Notes: (Quarter 1)								
The recycling rate should not be published until all information is confirmed by DCC and entered on Waste Data Flow. This is normally completed 6-8 weeks after period end.								
(SK)								
On target	<u>Number of Households on Chargeable Garden Waste</u>	n/a	15%	0% (1/4)	0%			
Management Notes: (Quarter 1)								
Scheme not due to start until Q3								
(SK)								
Well above target	<u>% of missed collections reported per Quarter (refuse and organic waste)</u>	0.10%	0.03%	0.03% (1/4)	0.02%			
Management Notes:								
Well below target	<u>% of Missed Collections logged per Quarter (recycling)</u>	0.13%	0.03%	0.03% (1/4)	0.05%			
Management Notes: (Quarter 1)								
Above target due to new scheme start and use of agency staff								
(SK)								

MTE PDG Performance Report - Appendix 1

Performance Indicators

Status	Title	Prev Year End	Annual Target	Current Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act
Well above target	<u>Number of Missed Collections reported per Quarter (refuse and organic waste)</u>	1,797	540	135 (1/4)	99			

Management Notes:

(Quarter 1)

The roll out for the new scheme started on 1st June 2015. Reports of missed collections rose due to residents who had not yet received their green box leaving cardboard as side waste instead of contained in the brown bin.

(CY)

Well below target	<u>Number of Missed Collections reported per Quarter (Recycling)</u>	1,162	270	68 (1/4)	126			
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Management Notes:

(Quarter 1)

Above target due to new scheme start and use of agency staff.

(SK)

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DAH PDG Performance Report - Appendix 1

Quarterly report for 2015-2016

No headings

For Decent and Affordable Homes - Cllr Ray Stanley Portfolio

For MDDC - Services

Filtered by Performance Status: Exclude PI Status: Data not due, Not calculable

Key to Performance Status:

Performance
Indicators:

No Data

Well below target

Below target

On target

Above target

Well above target

DAH PDG Performance Report - Appendix 1

Performance Indicators

Status	Title	Prev Year End	Annual Target	Current Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act
On target	<u>% Emergency Repairs Completed on Time</u>	100.00%	100.00%	100.00% (3/12)	100.00%			
<u>Management Notes:</u>								
On target	<u>% Urgent Repairs Completed on Time</u>	99.94%	100.00%	100.00% (3/12)	100.00%			
<u>Management Notes:</u>								
On target	<u>% Routine Repairs Completed on Time</u>	99.98%	100.00%	100.00% (3/12)	100.00%			
<u>Management Notes:</u>								
Below target	<u>% Repairs Completed at First Visit</u>	99.87%	100.00%	100.00% (3/12)	98.28%			
<u>Management Notes:</u>								
Below target	<u>Rent Collected as a Proportion of Rent Owed</u>	100.09%	100.75%	100.75% (3/12)	96.96%			
<u>Management Notes:</u>								
Above target	<u>Rent Arrears as a Proportion of Annual Rent Debit</u>	0.60%	1.00%	1.00% (3/12)	0.94%			
<u>Management Notes:</u>								
Below target	<u>% Decent Council Homes</u>	100.00%	100.00%	100.00% (3/12)	96.25%			
<u>Management Notes:</u>								
(June)								
At the beginning of each financial year our asset management database flags up a number of properties that will become non decent for one reason or another throughout the year. As the year progresses the non decent properties will be picked up as part of the main contract we have running it is envisaged that at the year end they will be once again 100% decent								
(SB)								
Below target	<u>% Properties With a Valid Gas Safety Certificate</u>	99.86%	100.00%	100.00% (3/12)	99.72%			
<u>Management Notes:</u>								
(June)								
Six properties failed due to tenants not allowing contractor access to carry out checks and issue the Landlord's Gas Safety Record.								
(WD)								
Above	<u>Average Days to Re-Let</u>	14.9days	17.0days	17.0days (3/12)	16.3days			

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DAH PDG Performance Report - Appendix 1

Performance Indicators								
Status	Title	Prev Year End	Annual Target	Current Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act
target	<u>Local Authority Housing</u>							
Management Notes:								
No Target	<u>Dwelling rent lost due to voids</u>	n/a	no target - for information only	no target - for information only	0.73%			
Management Notes:								
(April - June)								
Rent loss for Q1 £23,617								
(AH)								

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CWB PDG Performance Report - Appendix 3

Quarterly report for 2015-2016

No headings

For Community Well-Being - Cllr Colin Slade Portfolio

For MDDC - Services

Filtered by Performance Status: Exclude PI Status: Data not due, Not calculable

Key to Performance Status:

Performance Indicators:	No Data	Well below target	Below target	On target	Above target	Well above target
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CWB PDG Performance Report - Appendix 3

Performance Indicators								
Status	Definition	Prev Year End	Annual Target	Current Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act
Well above target	<u>The number of Empty Shops. (TIVERTON)</u>	12	20	20 (1/4)	17			
Management Notes: (Quarter 1) 17 empty shops out of 246 shops = 6.91% of shops in Tiverton were empty at the time of the survey in April 2015 (AT)								
Above target	<u>The number of Empty Shops. (CREDITON)</u>	10	10	10 (1/4)	9			
Management Notes: (Quarter 1) 9 empty shops out of 118 shops = 7.63% of shops in Crediton were empty at the time of the survey in April 2015 (AT)								
Well above target	<u>The number of Empty Shops (CULLOMPTON)</u>	11	14	14 (1/4)	12			
Management Notes: (Quarter 1) 12 empty shops out of 94 shops = 12.77% of shops in Cullompton were empty at the time of the survey in April 2015 (AT)								
Well below target	<u>The percentage of Leisure's operational expenditure recovered through customer receipts</u>	88.16%	88.50%	88.50% (1/4)	79.19%			
Management Notes: (Quarter 1) Reasons as to why the PI is below target were highlighted as: we are overspent on maintenance; some unplanned fixes to some plant but also the repainting and cleaning of the tennis courts at Exe Valley, also paying for the feasibility study for the EVLC extension. Coupled with this we have a delay in some membership income coming to us – we did some 15 months for 9 last year and income is expected to come in October so the phasing is a bit out. Swimming income is down across the two sites but this is a national trend. (SK)								
Above target	<u>% of Leisure members retained from month beginning to month end.</u>	95.33%	96.50%	96.50% (1/4)	96.87%			
Management Notes:								

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Planning Performance Report - Appendix 4

Quarterly report for 2015-2016

No headings

For Planning and Economic Regeneration - Cllr Richard Chesterton Portfolio

For MDDC - Services

Filtered by Performance Status: Exclude PI Status: Data not due, Not calculable

Key to Performance Status:

Performance
Indicators:

No Data

Well below target

Below target

On target

Above target

Well above target

Planning Performance Report - Appendix 4

Performance Indicators

Status	Quartile	Title	Prev Year End	Annual Target	Current Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act
Well above target	2012-2013 No Data Available	<u>Planning Applications: Householder Applications determined within 8 weeks</u>	90%	80%	80% (1/4)	92%			
Management Notes: (Quarter 1) Full complement of planning assistants restored. (SB)									
Well above target	2012-2013 No Data Available	<u>Enforcement site visits within 15 days of complaint</u>	95%	87%	87% (1/4)	100%			
Management Notes:									
Above target	2012-2013 No Data Available	<u>Delegated decisions</u>	94%	90%	90% (1/4)	94%			
Management Notes:									
Well above target	2012-2013 No Data Available	<u>Planning Applications: over 13 weeks old</u>	32	45	45 (1/4)	25			
Management Notes:									
On target	2012-2013 No Data Available	<u>Searches carried out w/in 5 working days</u>	100.00%	100.00%	100.00% (1/4)	100.00%			
Management Notes:									
Well below target	2015-2016 No Data Available	<u>Listed Building & conservation Area Consents</u>	69%	80%	80% (1/4)	70%			
Management Notes:									
Below target	2012-2013 Below Median All England	<u>Planning Applications: Major Applications</u>	63%	60%	60% (1/4)	57%			

Management Notes:
(Quarter 1)

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Planning Performance Report - Appendix 4

Performance Indicators

Status	Quartile	Title	Prev Year End	Annual Target	Current Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act
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This includes applications where an extension of time has been agreed with the applicant.

(CY)

Above target	2012-2013 Below Median All England	<u>Planning Applications: Minor Applications</u>	67%	65%	65% (1/4)	68%			
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Management Notes:

Well above target	2012-2013 Above Median All England	<u>Planning Applications: 'Other' Applications determined within 8 weeks</u>	79%	80%	80% (1/4)	91%			
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Management Notes:

Below target	2015-2016 No Data Available	<u>New Performance Planning Guarantee determine within 26 weeks</u>	96%	100%	100% (1/4)	97%			
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Management Notes:

(Quarter 1)

Extensions of time will have been agreed in most cases.

(SB)

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Working Environment Portfolio Performance - Appendix 5

Quarterly report for 2015-2016

No headings

For Working Environment and Support Services - Cllr Margaret Squires Portfolio

For MDDC - Services

Filtered by Performance Status: Exclude PI Status: Data not due, Data not entered

Key to Performance Status:

Performance Indicators:	No Data	Well below target	Below target	On target	Above target	Well above target
-------------------------	---------	-------------------	--------------	-----------	--------------	-------------------

Working Environment Portfolio Performance - Appendix 5

Performance Indicators								
Status	Title	Prev Year End	Annual Target	Current Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act
No Target	<u>Number of phone calls to CF per month</u>	12,670	For Information Only	For Information Only	11,192			
Management Notes:								
On target	<u>Satisfaction with front-line services</u>	81.75%	80.00%	80.00% (1/4)	80.00%			
Management Notes:								
Well below target	<u>% complaints acknowledged w/in 3 days</u>	46%	80%	80% (1/4)	39%			
Management Notes: (Quarter 1)								
Transition from old to new CRm system, some records were not updated so these figures do not reflect all responses made to customers.								
(LR)								
Below target	<u>% of complaints resolved w/in timescales (10 days - 12 weeks)</u>	97%	90%	90% (1/4)	83%			
Management Notes: (Quarter 1)								
moved to new up graded crm mid May, will complete manual check of all stats later in the years once the system has been in place for 3 months, to check accuracy of reporting.								
(LR)								
Above target	<u>% Emails received by Customer Services responded to within 5 days</u>	98.0%	95.00%	95.00% (1/4)	99.00%			
Management Notes:								
Not calculable	<u>Number of Complaints</u>	74	For information only	For information only	61			
Management Notes:								
Not calculable	<u>Number of Digital payments</u>	8,989	For information only	For information only	11,886			
Management Notes:								
No Target	<u>Number of web hits per month</u>	n/a	For information only	For information only	0			
Management Notes: (Quarter 1)								

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Working Environment Portfolio Performance - Appendix 5

Performance Indicators

Status	Title	Prev Year End	Annual Target	Current Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act
--------	-------	---------------	---------------	----------------	--------	--------	--------	--------

Data will not be available until later in the year when all content is on the new website and the old website has been turned off.

(LR)

Well above target	<u>Working Days Lost Due to Sickness Absence</u>	9.21days	8.00days	2.00days (1/4)	1.64days			
-------------------	--	----------	----------	----------------	----------	--	--	--

Management Notes:

(Quarter 1)

The total number of days lost to sickness absence is 675 which is split into 333 days for long Term Sickness (15 + days) 0.81 days per employee and 342 for short term sickness (less than 15 days) 0.83 days per employee.

(JC)

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Finance Portfolio Performance - Appendix 6

Quarterly report for 2015-2016
No headings
For Finance - Cllr Peter Hare-Scott Portfolio
For MDDC - Services

Key to Performance Status:

Performance
Indicators:

No Data

Well below target

Below target

On target

Above target

Well above target

Finance Portfolio Performance - Appendix 6

Performance Indicators

Status	Title	Prev Year End	Annual Target	Current Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act
Below target	<u>% total Council tax collected - monthly</u>	97.80%	98.0%	30.0% (3/12)	29.4%			
Management Notes:								
Below target	<u>% total NNDR collected - monthly</u>	99.00%	98.00%	34.00% (3/12)	31.10%			
Management Notes:								

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Risk Report Appendix 7

Report for 2015-2016
 Filtered by Flag: Include: * CRR 5+ / 15+
 For MDDC - Services

Not Including Risk Child Projects records or Mitigating Action records

Key to Performance Status:

Risks: No Data (0+) High (15+) Medium (5+) Low (1+)

Risk Report Appendix 7

Risk: Asbestos Health risks associated with Asbestos products such as lagging, ceiling/wall tiles, fire control.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status:
Medium (5)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 1 -
Very Low

Head of Service: Nick Sanderson

Review Note: Recommendations from the HSE after the events last year have now been implemented.

Risk Report Appendix 7

Risk: Breaches in HR Legislation Failure to keep Council policies up to date, that complement the appropriate legislation

Failure to develop staff knowledge and competence regarding legislation/changes

Effects (Impact/Severity): - The Council could face poor reports from assurance bodies
 - Failure to meet statutory duties could result in paying penalties, stretching already thin financial resources
 - Failure to comply with legislation could lead to legal challenge against individuals or the Council as a whole
 - Future legislation changes, their impact on services and the cost of implementing changes to policies, procedures and service delivery

Causes (Likelihood):

Service: Human Resources

Current Status: Medium (5)	Current Risk Severity: 5 - Very High	Current Risk Likelihood: 1 - Very Low
--------------------------------------	--	---

Head of Service: Jill May

Review Note: The council employs four Chartered Ins of Personnel and Development (CIPD) staff who undertake regular employment law updates. All policies are reviewed on an three year programme which has slipped lately due to pressure of work (reorganisations, consultations and redundancies) however we always prioritise legislative change. Therefore whilst this is a huge risk it is a risk which is managed.

Risk: Breaches of Legislation Breaches of Anti-Money Laundering or Bribery Act both could result in a criminal conviction.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Audit

Current Status: No Data	Current Risk Severity: 5 - Very High	Current Risk Likelihood: 1 - Very Low
-----------------------------------	--	---

Head of Service: Amy Tregellas

Review Note:

Risk: Chemicals Staff using chemicals incorrectly.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status: Medium (5)	Current Risk Severity: 5 - Very High	Current Risk Likelihood: 1 - Very Low
--------------------------------------	--	---

Head of Service: Jill May

Review Note:

Risk Report Appendix 7

Risk: Council Finances - Banking Arrangements Problems with banks and online services may affect ability to access funds when we need to or receive / process payments on a timely basis

Effects (Impact/Severity): Unable to promptly pay suppliers or treasury commitments

Causes (Likelihood): ICT systems down at Council or Bank so impossible to review cash position or make urgent payments

Service: Financial Services

Current Status:
Medium (5)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 1 -
Very Low

Head of Service: Andrew Cawdron, Andrew Jarrett

Review Note:

Risk: Council Finances - Investments Failure to invest in the Council's funds in an efficient and effective manner may cause potential of a loss of monies invested

Effects (Impact/Severity): • Could result in cash flow loss of up to £3M

Causes (Likelihood): • Future banking collapses

Service: Financial Services

Current Status:
Medium (5)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 1 -
Very Low

Head of Service: Andrew Cawdron, Andrew Jarrett

Review Note:

Risk: Council Finances - Treasury Management Failure to comply with the CIPFA Code of Practice on Treasury Management /local authority accounting would be a breach in statutory duty

Effects (Impact/Severity):

Causes (Likelihood):

Service: Financial Services

Current Status:
Medium (5)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 1 -
Very Low

Head of Service: Andrew Cawdron, Andrew Jarrett

Review Note:

Risk Report Appendix 7

Risk: Digital transformation - Local Plan Jeopardisation of the Local plan consultation timetable due to problems with the website

Effects (Impact/Severity):

Causes (Likelihood):

Service: Management Team

Current Status:
Medium (10)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 2 - Low

Head of Service: Liz Reeves

Review Note:

Risk: Digital Transformation - No Website The complete failure of the Council website

Effects (Impact/Severity):

Causes (Likelihood):

Service: Management Team

Current Status:
Medium (5)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 1 - Very Low

Head of Service: Christina Cross, Liz Reeves

Review Note: the security patch has been successfully applied to Goss.

Risk: Document Retention If documents fail to be retained for the statutory period then we may face financial penalties

Effects (Impact/Severity):

- The Council may be disadvantaged in taking or defending legal action if prime documents are not retained;
- Performance statistics cannot be verified;
- The external auditor may not be able to verify the Council's final accounts and subsidy may be lost.
- Mismanagement of burial records

Causes (Likelihood): • "Data debris" cluttering system and storage space

Service: Management Team

Current Status:
Medium (5)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 1 - Very Low

Head of Service: Christina Cross

Review Note: no change to policy

Risk Report Appendix 7

Risk: Failure to comply with card security standards As an organisation we need to comply with the requirements of TrustWave to be authorised as card payment processors.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Management Team

Current Status:
Medium (5)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 1 -
Very Low

Head of Service: Liz Reeves

Review Note: Annual review of policy and training for all staff. ICT advise on all payment systems to ensure comply to PCI standard.

Risk: Fire and Explosion Risks associated with storage of combustible materials, fuels and flammable substances and sources of ignition, as well as emergency procedures (existence, display and knowledge of), accessibility (or obstruction) of emergency exits and walkways to. Also, risks associated with use of fire extinguishers, having correct type in location, in date and trained operatives on site.

Effects (Impact/Severity): Very High (5) – Although the risk is low, a fire in the server or storage room could potentially cause loss of life, have serious financial implications and severely impact the councils ability to provide services due to loss of IT infrastructure.

Causes (Likelihood): Very Low (1) – The likelihood of a fire within ICT is extremely low. No quantities of combustible materials are stored within the work area. There is easy access to the emergency exit and all staff have received fire awareness training.

Service: I C T

Current Status:
Medium (5)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 1 -
Very Low

Head of Service: Christina Cross

Review Note: we had an incident 7 pm Tuesday evening and our heat sensors and recovery team worked all as it should and problem averted

Risk: Information Security Inadequate Information Security could lead to breaches of confidential information, damaged or corrupted data and ultimately Denial of Service. The council fails to have an effective information strategy in place.

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

Effects (Impact/Severity):

Causes (Likelihood):

Service: I C T

Current Status:
Medium (5)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 1 -
Very Low

Head of Service: Christina Cross

Review Note: no changes since last risk review. Users are aware and regularly reminded

Risk Report Appendix 7

Risk: Legionella Legionella

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status:
Medium (5)
Current Risk Severity: 5 -
Very High
Current Risk Likelihood: 1 -
Very Low

Head of Service: Jill May

Review Note:

Risk: Lifeguard Training Poor quality training. Improper use of rescue equipment

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status:
Medium (5)
Current Risk Severity: 5 -
Very High
Current Risk Likelihood: 1 -
Very Low

Head of Service: Jill May

Review Note:

Risk: Plant Rooms plant rooms

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status:
Medium (5)
Current Risk Severity: 5 -
Very High
Current Risk Likelihood: 1 -
Very Low

Head of Service: None

Review Note:

Risk: Waste Collection - Health and Safety Inadequate training with regards to Manual Handling and workplace hazards (eg contact with broken glass) could result in Health and Safety risks

Effects (Impact/Severity):

Causes (Likelihood): - Increasing demand and service costs due to increasing population, consumer society and an increasing amount of waste

Service: Street Scene Services

Current Status:
Medium (10)
Current Risk Severity: 5 - Very
High
Current Risk Likelihood: 2 -
Low

Head of Service: None

Review Note:

AUDIT COMMITTEE 29TH SEPTEMBER 2015

INTERNAL AUDIT PROGRESS REPORT

Cabinet Member Cllr Peter Hare-Scott
Responsible Officer Audit Team Leader

Reason for Report: To update the Committee on the work performed by Internal Audit for the 2015/16 financial year.

RECOMMENDATION(S): The Committee notes the contents of this report and agrees the changes to the deadlines referred to in Section 4.5.

Relationship to Corporate Plan: Effective Internal Audit plays a fundamental role in assisting the Council to deliver its corporate plan.

Financial Implications: None arising from the report

Legal Implications: None arising from the report

Risk Assessment: The role of Internal Audit is providing assurance that the risk management and internal control framework are operating effectively.

1.0 Introduction

- 1.1 The four-year strategic audit plan for 2015/16 to 2018/19 and annual work plan for 2015/16 were presented to the Audit Committee at its meeting on 24 March 2015, where they were approved.
- 1.2 The purpose of this report is to provide the Committee with a progress report on performance against the 2015/16 Internal Audit work plan for the period from 1 April 2015 to early September 2015.

2.0 Progress to date and scope of audit activities

- 2.1 The Audit Plan is split into the following sections:
 - Core Audits
 - Systems Audits
 - Other Work (including fraud/ irregularity/ consultancy/contingency)
- 2.2 Core Audits
 - 2.2.1 The Core Audits are given priority as they cover the Council's key financial controls or are areas where the level of income is material in the context of the Council's annual accounts. As these audits are allocated a larger number of days, as part of the risk based audit planning process, they are carried out annually. Trade Waste and Car Park Income are carried out biennially; this year we are due to do Trade Waste (in December).

2.2.2 The Core audits for 2015/16 were started in August as planned; the first, Payroll, has been completed, the exit interview was on 18 September and the report will be included in the next progress report in November.

2.2.3 The audit on Housing Rents has been commenced.

2.3 Systems Audits

2.3.1 Systems Audits have been completed for Emergency Planning, Vehicles & Fuel, Listed Buildings & Conservation, Recruitment, Selection & JE, Legal Services, Culm Valley Sports Centre and Insurance.

2.3.2 The audit opinions on Legal Services, Culm Valley Sports Centre and Insurance are reproduced below in full.

2.4 Other Work

2.4.1 The Internal Audit team report on performance and risk using the Spar system and present the quarterly corporate performance and risk reports to PDGs and Committees. This work is going to be divided between the Audit Team Leader and the Auditors in future in order to give the 2 Auditors a new development opportunity.

2.4.2 Data quality checks are carried out on committee and other reports as requested. Tender documents have been verified as usual.

2.4.3 The Audit Team have assisted with 1 investigation and sat on 1 job evaluation panel so far this year. Their annual appraisals are all completed and their training needs reviewed.

2.4.4 The Audit Team Leader attends the Corporate Health & Safety Committee as Risk Advisor. The Auditors attend the ICT and Procurement User groups.

2.4.5 The Audit Team Leader has also attended a 4 day Institute of Internal Auditors (IIA) course on Information Systems Auditing, she has already briefed the Head of Business Information Systems and it is proposed that the Audit Team will include a briefing on this for the Audit Committee as part of the item "Current Audit Issues" proposed for the November 2015 Audit Committee meeting, with the Committee's agreement.

2.4.6 One Auditor has completed an IIA Certificate in Internal Audit and Business Risk, the other has commenced a distance learning course with Petroc College about Team Leading.

2.5 Performance Indicators

As at early September the Internal Audit PIs are as follows:

	Current	Target
Core	15%	20%
System	43%	38%

3.0 Audit Opinions

The following opinions have been issued since the last report:

3.1 Legal Services

- 3.1.1 The Legal Section has faced several staff changes within the department during the financial year 2014-15, in particular the post of Principal solicitor (formerly, the post of Solicitor).
- 3.1.2 With the original post holder retiring in June 2014, the opportunity was taken to reassess the post in light of the recommendations from the Legal Services Working Group; they had felt that the new post holder should take on more managerial responsibility and to also have the necessary advocacy skills they felt the post required. The Solicitor was replaced in good time with a 1 month hand-over. Unfortunately, in December 2014 the new employee left Mid Devon and was replaced with a temporary, part time member of staff who has now been made permanent, full time, which has brought the department back to full capacity in terms of the number of Solicitors.
- 3.1.3 One member of the Team has been on maternity leave but her return is imminent and she will return as a 0.70 FTE. Due to management restructuring the team are now managed by a different member of Management Team.
- 3.1.4 In order to assist with the back log of Section 106 agreements, the decision to appoint an extra Solicitor using agency staff was taken in January 2014. This resulted in an extra £9k of income being generated by Legal Services, which was offset by the costs of the agency staff at £20.5K. However, it should be noted that there were 2 solicitors within that time and it was only the first one who concentrated wholly on S106 agreements; the second solicitor only did 7 and the rest of the time was covering for maternity leave.
- 3.1.5 The main area of concern during this audit was the Legal Services Helpdesk. This system was built in-house some years ago and is now no longer supported by ICT.
- 3.1.6 The system has many failings and is not fit for purpose, as it is little more than a logging system. It should therefore be replaced by a suitable helpdesk system or alternative specialised Legal software to ensure that when calls are logged, they are able to be monitored properly to ensure the efficiency of Legal Services.
- 3.1.7 The Legal Service has a high volume of paper files which need to be scanned and saved as part of the digital transformation project. Going forward, the Service needs to decide the best course of action and structure for saving documents digitally to ensure this is embedded into the day to day tasks. This will improve efficiency in saving documents, emails and any paperwork relating to legal cases.

- 3.1.8 It is the overall opinion of the auditor that the Legal Service is adequate but the use of technology and working towards digital transformation has not been addressed.

Summary of Recommendations		
High	Medium	Low
0	4	0

3.2 Culm Valley Sports Centre

- 3.2.1 The system for collecting the Direct Debit payments is the BACsIP software which all the Council Departments use. The processes for this area are well documented, secure and well controlled.
- 3.2.2 There are also other areas where CVSC demonstrates good practice; the Petty Cash process is well controlled, and the system of clocking in is also used correctly.
- 3.2.3 However, despite the clocking in system being used properly by staff, the system of completing rota's and timesheets before passing them to payroll is complex and time consuming; many staff have numerous contracts along with casual arrangements which means that they are paid at different rates of pay for each role.
- 3.2.4 Staff are responsible for completing timesheets each week when they work more than their contracted hours, these then have to be checked by the Duty Managers before being signed off and entered onto monthly timesheets. A spreadsheet is then compiled using the monthly timesheets, for Payroll, by the Centre Manager. It has been estimated that processing the timesheets and arranging the rota's takes approximately 10hrs of staff time each month including Payroll staff time (approximately £178.00 per month including on-costs; £2,136 annually). It should be noted that this system is not exclusive to CVSC, and this process is repeated at the other leisure facilities, which would also incur staff time and costs for those sites.
- 3.2.5 It is the overall opinion of the auditor that system is adequately controlled.

Summary of Recommendations		
High	Medium	Low
0	6	0

3.3 Insurance

- 3.3.1 There were several good practices found for the area of insurance. An excel spreadsheet is maintained by the 2 Accountants responsible for the insurance function, which includes information about insurance claims, and also information on uninsured losses. This is a good monitoring tool and allows the accountants to ensure that the excess levels are kept at an acceptable level in comparison with the annual fee. As there are 2 Insurance experts, this creates an adequate level of cover during times of holiday and sickness.

- 3.3.2 There has been a big improvement to the promptness, where it's necessary, for employees to submit insurance claims and chasing of open claims. Although claims are not submitted until relevant information is available, due to the fact that submission of unnecessary claims can push up the insurance premium, and this relevant information can be difficult to obtain therefore causing a risk that it is too late to claim.
- 3.3.3 One area of weakness found was that the checking of employee's insurance policies to ensure that they are covered for business use is not currently happening.
- 3.3.4 It is the overall opinion of the auditor that the insurance system is adequately controlled.

Summary of Recommendations		
High	Medium	Low
0	4	1

4.0 Conclusion

- 4.1 We will continue to monitor and report on our progress at each Audit Committee meeting.
- 4.2 Six post-audit surveys have been sent out so far, five have been returned, and were scored by the client as 4-5 for all questions meaning they were satisfied or very satisfied with the process.
- 4.3 Outstanding audit recommendations are summarised at Appendix 1. Since the last Progress report 27 recommendations have been added to SPAR, the % overdue remains the same.
- 4.4 Overdue high priority recommendations are at Appendix 2. Since the last Progress report one overdue high priority recommendation has been actioned and no further high priority recommendations have been made or become overdue.
- 4.5 We would like the Committee's agreement to change the project end dates for the 2 recommendations on Appendix 2 to 31 March 2016.

Contact for more Information: Catherine Yandle, Audit Team Leader, x4975

Circulation of the Report: Management Team and Cllr Peter Hare-Scott

List of Background Papers: None

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Incomplete Audits	Year	Recommendations								
		High			Medium			Low		
		C	N	O	C	N	O	C	N	O
Building Control	2012	1			2	2		7	3	
Car Park Income	2014	1			3	4				
Contracts	2014			1				1	3	
Council tax/NNDR	2014				2	4	2			
Creditors	2014					2			1	
Customer Care - Complaints	2013				4		1	4		
Data Protection	2014	3		0			4			
Emergency Planning	2015				1	1			2	1
Gifts & Hospitality	2014						1	2		2
Homelessness	2013						1	2		
Housing Benefits	2014						4			
Housing H & S Management	2014	2				2		1	2	
Housing Repairs & Maintenance	2014				1		3		2	
Housing Rents	2014				5		1			
ICT Core	2014	1			1		3			3
Insurance	2015					4			1	
Leasing and Asset Management	2014						1	1		
Legal Services	2015					4				
Leisure CVSC	2015					6				
Leisure LMLC	2014				3			2		
Listed Buildings & Conservation	2015						2			
Main Accounting	2014						1			
Payroll	2013				2		1			
Payroll	2014				1		4			
Procurement	2013			1	2		1	2		1
Recovery	2009						1			
Recovery	2013						1		1	
Recovery	2014						1			
Recruitment & Selection & JE	2015						7	1	2	2
Sickness & Other Time Off	2012				2			2		2
Standby	2012				3		1			
Time Recording	2014				4		5			
Tiverton Pannier Market	2014				8		1	2		
Trade Waste	2013				5		1	6	1	1
Treasury	2014						1			
Vehicles & Fuel	2015	5			4	3				
		13	0	2	53	24	57	33	6	24
		99	30	83						

CORE
SYSTEM

C = Completed 47%
N = Not yet due 14%
O = Overdue 39%

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Audit Report - High Priority Outstanding Recommendations Appendix 2

Annual report for 2015-2016

Arranged by Service

Filtered by Flag: Include: Audit Recommendations

Filtered by Performance Status: Include Project Status: No Data available,
Milestone Missed, Behind schedule, On / ahead of schedule

Exclude Project Status: Cancelled, Completed and evaluated

Key to Performance Status:

Projects:

	No Data available	Milestone Missed	Behind schedule	On / ahead of schedule	Completed and evaluated
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Audit Report - High Priority Outstanding Recommendations Appendix 2

Service: Procurement	Head of Service: Andrew Jarrett	Portfolio: n/a
-----------------------------	--	-----------------------

Projects

Project Status	Code	Objective	Project End	Last Review Date	Achieved	Arising
Behind schedule	A - 2013 - PC - 1.1 - H	<u>Put contracts in place where spend is over £50,000 in a year in accordance with the Financial Rules.</u>	31/05/2014 (due)	11/06/2015		The Procurement Manager has just returned to work and a new Support Officer was recently appointed. This will provide the required resource to re-commence this piece of work
Behind schedule	A - 2014 - CON - 2.1 - H	<u>Ensure that the supplier spend monitoring process resumes as soon as possible to</u>	31/08/2014 (due)	11/06/2015		The Procurement Manager has just returned to work and a new Support Officer was

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Audit Report - High Priority Outstanding Recommendations Appendix 2

Service: Procurement

**Head of Service:
Andrew Jarrett**

Portfolio: n/a

Projects

Project Status	Code	Objective	Project End	Last Review Date	Achieved	Arising
		<u>ensure that the Council obtains the best prices and value for money.</u>				recently appointed. This will provide the required resource to re-commence this piece of work

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12 December 2014

Dear Cllr Roach

Grant Thornton UK LLP
Hartwell House
55-61 Victoria St
Bristol, BS1 6FT

T 0117 305 7600
F 0117 305 7784

www.grant-thornton.co.uk

Mid Devon District Council – Car Parking charges – Challenge

Further to my letters dated 14 and 29 October 2014 which stated that we were in the process of completing our review of the above, we have now had time to make further enquiries of the Council on the matter and we are able to provide our views following the concerns you raised in your e-mail of 1 July 2014 and at the Audit Committee meeting on 23 September 2014.

The role of the auditor

I should firstly confirm my remit as external auditor. My responsibilities – which derive from the Audit Commission Act 1998 (the 1998 Act) and the Code of Audit Practice – are closely defined. Essentially I am concerned with the financial transactions of the Council in the year of audit, including assessing the overall arrangements which it has established to secure probity, legality and value for money. Where I am provided with information or allegations, I am obliged to consider these in the light of my overall duties as an auditor and take them into account in planning and conducting my audit to the extent that is necessary given those overall duties. There is no obligation on me to carry out detailed investigations of any such issues, nor to provide a detailed response to whoever has raised them.

The local government Ombudsman has different powers, which concern issues of maladministration by councils, and which largely relate to complaints about the council or its services.

You are, no doubt, aware that local government electors have particular rights under the 1998 Act to question the auditor and/or make an objection to the accounts of a council in certain circumstances. You have not raised your concerns in the form of a formal objection to the accounts. We are therefore considering your letter to be information which you have provided to me in the conduct of my review and have reviewed the issues in that context, following the concerns raised.

Outline of the work I have undertaken

In performing our review we have considered the stewardship and governance procedures carried out by Mid Devon District Council in respect of the decision to issue parking spaces to a local business at a discounted rate. We have discussed these issues with officers of the Council, in particular the Chief executive, Monitoring Officer, Head of Finance and the Council's Solicitor. We have also considered the Council's constitution, provisions of the Traffic Orders (Procedure) Regulations 2012 and the terms of the council's car parking order.

Your concerns

You requested that we consider if the Council had made the decision:

- contrary to statutory or constitutional rules; and
- contrary to the approved schedule of fees and charges.

We now address each point that you raised at the meeting on 23rd September 2014:

- The Council is required to follow the Traffic Orders (Procedure) Regulations 2012. The original order was made at the Executive meeting on 7 February 2008. The original Order has had a number of variations to it since then. I understand that these variations took place on 5 November 2012 and 22 February 2013. The latest variations to the Order were agreed at Cabinet on 6 February 2014.
- the original order set out a cost of £308. In 2012/13 the company in question purchased 32 permits at £308 (£9,856). Following further discussions around a renewal of 20 more, the Council's parking manager agreed a discounted price of £160 for 50 permits or more. Ultimately the company purchased 62 permits at a cost of (£9,920).
- The decision to offer the discount was approved by the Chief Executive, and can be considered as part of the management responsibilities in accordance with the constitution:
 - 7.1 All the Council's statutory powers and duties in relation to the functions and activities (listed in the following table) are delegated to either the relevant Cabinet Member or to the Cabinet and from there, as shown, to the Corporate Management Team.
 - 7.2 The consequent powers to make all operational decisions as to the Council's services are delegated to the Head of Paid Service, to the Monitoring Officer and to the Section 151 Officer (these are referred to as the "statutory officers"), together with any Heads of Services (who are together known as the "Corporate Management Team")
- The offer of a discounted price is considered to be a variation to the parking order, and the facility to offer such reduced prices for bulk purchase is not explicit in the current agreed order.

- The Traffic Orders (Procedure) Regulations 2012 does not give powers to the Council to depart from the approved order.

Conclusion

Based on the work that we have performed

- The car parking order was agreed by the Executive on 7 February 2008 and does not specifically offer a discount for bulk purchase.
- The Traffic Orders (Procedure) Regulations 2012 does not give powers to the Council to depart from the approved order.
- The decision made by the Chief Executive, although allowable by the Council's constitution through delegated powers, should have been performed in conjunction with:
 - a formal amendment to the Parking Order to specify the discounts allowed and
 - a formal amendment to the Parking Order to clearly state who is allowed to make the decisions for permitted discounts.

I have recommended that the Council recognise the possible award of discounted permits in its car parking order and sets out clearly the circumstances and parameters for the application of discount. I have also recommended that the Parking Order be updated, with a section clearly identifying who can agree discounts for permit purchase.

Geraldine Daly

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Mid Devon District Council Audit Committee Update

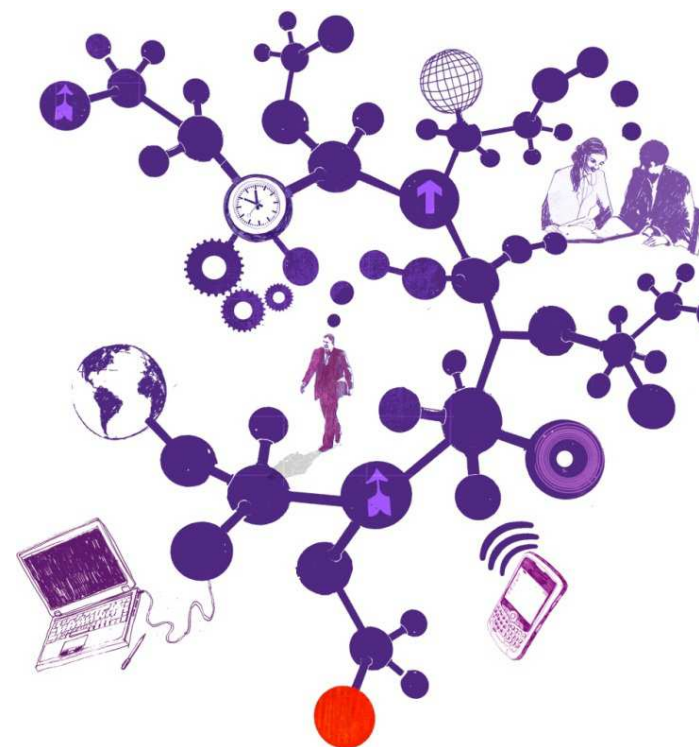
Year ended 31 March 2015

29 September 2015

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Agenda Item 11.

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction

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

- a summary of emerging national issues and developments that may be relevant to you; and
- a number of challenge questions in respect of these emerging issues which the Committee may wish to consider.

Members of the Audit Committee can find further useful material on our website www.grant-thornton.co.uk, where we have a section dedicated to our work in the public sector (<http://www.grant-thornton.co.uk/en/Services/Public-Sector/>). Here you can download copies of our publications including:

- All aboard? our local government governance review 2015
- Responding to the challenge: alternative delivery models in local government
- Stronger futures: development of the local government pension scheme
- Rising to the challenge: the evolution of local government, summary findings from our fourth year of financial health checks of English local authorities
- 2020 Vision, exploring finance and policy future for English local government
- Where growth happens, on the nature of growth and dynamism across England

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

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Progress at 18 September 2015

Work	Planned date	Complete?	Comments
2014-15 Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Council setting out our proposed approach in order to give an opinion on the Council's 2014-15 financial statements.	March 2015.	Yes	Presented to the March Audit Committee
Interim accounts audit Our interim fieldwork visit includes: <ul style="list-style-type: none"> • updating our review of the Council control environment • updating our understanding of financial systems • review of Internal Audit reports on core financial systems • early work on emerging accounting issues • early substantive testing • proposed Value for Money conclusion. 	January to March 2015.	Yes	Reported to the March Audit Committee
2014-15 final accounts audit Including: <ul style="list-style-type: none"> • audit of the 2014-15 financial statements • proposed opinion on the Council 's accounts • proposed Value for Money conclusion. 	29 June 2015 to 17 July 2015	No	The audit of the 2014/15 financial statements was completed and reported to the Audit Committee on the 28 July 2015

Progress at 18 September 2015

Work	Planned date	Complete?	Comments
Value for Money (VfM) conclusion The scope of our work to inform the 2014/15 VfM conclusion comprises a review of whether the Council has: <ul style="list-style-type: none"> • proper arrangements in place for securing financial resilience. The Council has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future. • proper arrangements for challenging how it secures economy, efficiency and effectiveness. The Council is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity. 	March 2015 to July 2015.	On-going.	Our detailed work was completed in July and reported to the Audit Committee on the 28 July 2015. The Financial resilience report will be presented at the next Audit Committee meeting
Certify the Council's WGA accounts	September 2015.	No.	This work was completed in August and WGA return submitted to the relevant department.
Grant claims and certification. We anticipate that the only claim that will require certification for 2014/15 will be the Housing benefit and council tax subsidy claim.	June 2015 to November 2015.	No No	Work has started on the Housing Benefit claim and will be concluded in October 2015. The annual grants letter will be issued once we have certified the claim

Progress at 18 September 2015

Work	Planned date	Complete?	Comments
Other grant claims <ul style="list-style-type: none">• Pooling of Capital receipts.• HCA.	October 2015 September 2015	On-going. On-going.	Deadline has been moved to the 30 November to allow DCLG to determine a programme of work Testing is complete. Certificate will be issued by 30 September 2015
Annual Audit letter	November 2015.	No.	The Annual Audit letter will be issued to management ahead of the 30 November deadline

Welfare Reform Review: Easing the burden

Grant Thornton

Our second welfare reform report, 'Easing the burden' provides insight into the impact of welfare reform on English local authority and social housing organisations over the past two years. It is available at <http://www.grant-thornton.co.uk/Global/Easing-the-burden-welfare-reform-report.pdf>

It focuses on the governance and management arrangements being put in place across the two sectors to deliver reform, the early signs of how successful the reforms have been and the upcoming issues and risks on the reform agenda in the wider context of social impact.

The key messages include:

- Page 54
- The cumulative effect of various welfare reforms is putting a significant financial strain on those people needing welfare support
 - The majority of local authorities and housing associations surveyed have seen a rise in average council tax and rent arrears since 2012/13, which they attributed at least in part to welfare reform
 - There has been limited movement to smaller properties as a result of the spare room subsidy and benefit cap reforms, Local authorities are becoming reliant on Discretionary Housing Payments (DHP) to plug the gap for those unable to pay.
 - Any reduction in DHP funding from central government is therefore likely to result in further increases to rent arrears and homelessness in the next two years, unless mitigated by other means
 - The withdrawal of ring-fenced hardship funding (formerly the Social Fund) will result in a reduction of provision, as the majority of local authorities told us that they are not in a position to fund this from their own revenue
 - Reductions in DHP, hardship funding and general funding reductions inhibit the ability of local authorities and housing associations to pursue early intervention policies, preventing people falling into long-term benefit dependency. This has cost implications for the medium- to long-term.
 - The cost of administering housing benefit is rising as a result of welfare reform. Around half of local authorities and housing associations surveyed said housing benefit is becoming significantly more costly to administer, partly due to the increased complexity of cases.

Hard copies of our report are available from your Engagement Lead or Audit Manager.

Local Government New Burdens

Local Government issues

The National Audit Office (NAO) published its review of new burdens on local government on 5th June 2015.

In 2011, the government reaffirmed its commitment to the New Burdens Doctrine (the Doctrine). The Doctrine set out how the government would ensure that new requirements that increased local authorities' spending or reduced their income did not lead to excessive council tax increases. The Doctrine commits the government to assess and fund extra costs for local authorities from introducing new powers, duties and other government-initiated changes.

The NAO report considers the new burdens regime, how it is managed and overseen and the DCLG's arrangements for new burdens assessments. It concludes that:

- government departments have embraced the new burdens Doctrine and the DCLG's guidance has promoted consistent assessment and encouraged consultation with local government on the impact of new requirements;
- however, the government is not sufficiently open about which new burdens are assessed or the outcomes of assessments; and
- the DCLG has not promoted post implementation reviews to ensure funding is adequate.

The NAO also concludes that the DCLG needs to use intelligence from new burdens regime better, to improve its understanding of the pressures affecting local authorities' financial sustainability.

English devolution — local solutions for a successful nation

Local Government issues

The Local Government Association's (LGA) white paper on devolution includes a warning to the new government that the principle of cuts without reform could stifle growth and development and challenge the sustainability of vital local services. The paper sets out:

- Why devolution matters
- The principles to sustain devolution
- A road map to follow to help deliver reform
- Proposals that will strengthen accountability and governance in the new system

It states that:

Local government has done more than any other part of the public sector over the course of the last parliament to make the public finances more sustainable and managed to do so while protecting front line services. All evidence suggests that this cannot continue over the next five years without more radical reform. Given the continuing need to reduce the national deficit, only a reinvigorated agenda for reform, underpinned by sustainable funding for local services, will deliver the ambition of the new Government for our communities and national economy.

Glossary

Abbreviation	Detail
DCLG	Department for Communities and Local Government
DHP	Discretionary Housing payments
HCA	Homes and Community Agency
LGA	Local Government Association
NAO	National Audit Office
VFM	Value for Money
WGA	Whole of Government Accounts



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