

Public Document Pack

Mid Devon District Council

Audit Committee

Tuesday, 22 November 2016 at 5.30 pm
Exe Room, Phoenix House, Tiverton

Next ordinary meeting
Tuesday, 24 January 2017 at 5.30 pm

Those attending are advised that this meeting will be recorded

Membership

Cllr R Evans (Chairman)
Cllr Mrs J B Binks
Cllr Mrs C Collis
Cllr R M Deed
Cllr T G Hughes
Cllr R F Radford
Cllr L D Taylor

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 20 September 2016 (copy attached).

5. **Discussion with the Chief Executive regarding management issues**

Discussion to take place with the Chief Executive regarding management issues within the Council.

6. **Performance and Risk for the second quarter of 2016-17 (Pages 11 - 40)**

To receive a report from the Internal Audit Team Leader providing Members with an update on performance against the Corporate and local service targets for 2016/17 as well as providing an update on any key risks.

Please note: If Members have questions regarding this report please submit them to the clerk in advance of the meeting so that the appropriate officer can be asked to attend or provide a written response.

7. **Internal Audit Progress Report (Pages 41 - 48)**

To receive a report from the Internal Audit Team Leader updating the Committee on the work performed by Internal Audit for the 2016/17 financial year. To include an update regarding any remaining outstanding high priority recommendations.

8. **Internal Audit Reports**

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 the previous item on the agenda)

9. **Verbal update on the arrangements for the appointment of external auditors**

To receive a verbal update on the arrangements for the appointment of external auditors.

10. **External Audit update**

To receive an update from the External Auditors.

11. **Identification of items for the next meeting**

Members are asked to note that the following items are already in the work programme for the next meeting:

- Internal Audit Charter
- Internal Audit Progress Report
- Internal Audit Reports
- External Audit update

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

Stephen Walford
Chief Executive
Monday 14 November 2016

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

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

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

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

Tel: 01884 234310

E-Mail: slees@middevon.gov.uk

Public Wi-Fi is available in all meeting rooms.

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **AUDIT COMMITTEE** held on 20 September 2016 at 5.30 pm

Present

Councillors

R Evans (Chairman)
Mrs J B Binks, Mrs C Collis, R M Deed, T G Hughes and
F W Letch

Apology

Councillor

R F Radford

Also Present

Councillor

P H D Hare-Scott

Present

Officers

Andrew Jarrett (Director of Finance, Assets and Resources), 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

G Daly (Grant Thornton)

35. **APOLOGIES**

Apologies were received from Cllr R F Radford.

36. **PUBLIC QUESTION TIME**

There were no members of the public present.

37. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman stated that the South West Audit Partnership was running some training for Audit Committee members in October at two locations in Buckfast Abbey or Sparkford Motor Museum. Having attended the free event the previous year and found it very useful, he intended to attend the Sparkford Motor Museum event again. He highly recommended the training and hoped that other Members of the Committee would consider attending as well.

38. **MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 15 July 2016 were approved as an accurate record and **SIGNED** by the Chairman.

39. **PERFORMANCE AND RISK FOR THE FIRST QUARTER OF 2016-17 (00:03:20)**

The Committee had before it, and **NOTED**, a report * from the Head of Communities & Governance providing Members with an update on performance against the

Corporate Plan and local service targets for 2016-17 as well as providing an update on the key business risks.

It was explained that some of the performance indicators had been amended to reflect the new Corporate Plan and the four Policy Development Groups.

Discussion took place regarding:

Environment

- The amount of residual household waste per household going to landfill and the fact that the Cabinets were regularly kept up to date.
- The need for the three different shades of green used within the reports to be more distinct and therefore clearer in terms of meaning.

Homes

- There was a target to achieve '80 homes to be delivered' with only 16 having been achieved in quarter one which was about 20% down on where the Council should be, however, that could be reversed very quickly at any point in the next three quarters with the proposed developments.
- Average days to re-let local authority houses and the fact that a comment was made that 'the team struggled to meet the target of 16 days'. The Chairman asked whether anything had been done to assist that team? The Director of Finance, Assets and Resources stated that he would speak to the Head of Housing to get an update and pass it on the Committee. It was further explained that there were different void types with some needing a major upgrade. Legally the Council was not allowed to insist that tenants pay a deposit before occupying a property, however, it did proactively charge tenants who caused damage or who had not given a property back in a satisfactory condition. The Chairman was concerned that realistic targets be set which were attainable.

Corporate

- The response times in relation to Freedom of Information requests had improved due to a new member of staff being appointed to look after this area.
- The quarter one figure for the number of working days lost due to sickness absence was slightly higher this year than last year but was still within target.
- Additional information was provided by the Internal Audit Team Leader who had received an update from the Head of Planning and Regeneration that day regarding staffing levels in her department. For 'the planning guarantee' it was permissible to arrange extensions of time for a planning determination as long as it was in writing and agreed with the client. She further explained that some of the performance indicators had been removed from these reports to try and reduce the volume, however, as a result, the Committee lost a bit of context. The Planning Committee had been informed that major applications processed within 13 weeks were 75% and minor within 8 weeks were 72% both of which was over their targets. Perhaps a couple of performance indicators needed to be added back in to provide some relevant context to all committees. It was confirmed that the Planning Department still had some

unfilled vacancies. In addition to this the Head of the Department was planning a restructure in the near future.

- The Chairman stated that for the private sector the average number of working days lost through sickness absence was less than it was for the public sector and that he would like to see the target reduced next year so that it was more realistic.

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

40. **INTERNAL AUDIT PROGRESS REPORT (00:23:29)**

The Committee had before it, and **NOTED**, a report * from the Internal Audit Team Leader updating it on the work performed by Internal Audit for the 2016/17 financial year. This report covered the period up to 31 August 2016 and included six audit opinions.

Discussion took place regarding each of the following internal audits:

Standby

- It was explained that there were two different functions within standby. The first were the standby operatives who went out to deal with emergencies and the second was the officers who provided advice from home and did not therefore need to be in the lone workers scheme as they were effectively treated as 'office based'.
- It was noted again that the date for the approval and implementation of the Transport Policy had slipped but this had been due to the depot move.

Voids

- Pre-vacation inspections, where a tenant had given notice, were not optional, this provided an opportunity, where a property was not in a fit state, for the tenant to bring it up to standard and make any repairs before finally vacating. The Internal Audit Team had spoken to the Voids Supervisor and it had been confirmed that most of the properties that were in a bad state had been due to issues such as eviction, abandonment, or death. The Voids Management Policy had not had a significant effect on the major voids it was the ones that were classified as minor that would be improved.

Sickness & Other Time Off

- It was the overall opinion of the auditor that the sickness and other time off system in terms of HR's responsibility was adequately controlled, although the part of the process which involved managerial responsibility was weak and therefore poorly controlled.
- The Committee commented that they had received the same feedback last year and had made their feelings known then. They were extremely disappointed to see the same comments being made again this year. A manager's job was to manage and it came with an expectation. The advice from HR should be taken and acted upon and there should be no discretion.

It was **AGREED** that, as the issues discussed affected managers across the whole Council, the Chairman would write to the Chief Executive and ask him to attend the next meeting to explain what actions were being taken to address the concerns of the Committee.

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

41. **ACCESS TO INFORMATION ACT - EXCLUSION OF THE PRESS AND PUBLIC (00:51:00)**

As there was a need to discuss information that was of a commercially sensitive nature, it was:

RESOLVED 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).

(Proposed by the Chairman)

42. **LICENSING (00:52:00)**

Since the last meeting the Committee had received, and **NOTED**, a detailed report regarding the Licensing audit. An update was provided to it during the meeting which was also noted.

The meeting returned to open session where discussion continued regarding the software system used by the Licensing team known as 'Lalpac'. It was explained that whilst this was perfectly adequate for issuing licenses and reminders the report functionality within the software package was poor. However, although the system did not quite meet all the requirements adequate work arounds were in place.

43. **ARRANGEMENTS FOR THE APPOINTMENT OF EXTERNAL AUDITORS FROM 2017/18 (01:06:35)**

The Committee had before it, and **NOTED**, a report * from the Internal Audit Team Leader summarising the key proposals contained in the Public Sector Audit Appointments Ltd prospectus. The Internal Audit Team Leader explained that a formal recommendation would now be brought to the Committee for its January meeting. It was **AGREED** that officers would draft a response to questions posed in the Public Sector Audit Appointments prospectus as a way of responding to the consultation and would be circulated to the Committee.

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

44. REVISIONS TO THE FINANCIAL AND CONTRACT PROCEDURE RULES (01:08:50)

The Committee had before it, a report * from the Director of Finance, Assets and Resources presenting some amendments to the Financial Regulations of the Authority.

RECOMMENDED to Council that:

- a) Changes to the Procurement Procedure, as detailed at Appendix B, be approved; and
- b) Changes to the various thresholds of the Financial Regulations of the Council, as detailed at Appendix A, be approved subject to the following amendments:
 - i) Table A, Ref no. A3 be amended to say '£250k' and not '£2500k' and that the heading 'Cabinet Member' be amended to 'Cabinet';
 - ii) Table A, Ref no. A4 be amended to say 'Over £250k' and not 'Over £2500k' and that 'Council' be amended to read 'Cabinet';
 - iii) Reference no. F4 be amended to state the 'Cabinet and Section 151 Officer' with authority to write off stock deficiencies / obsolete stock;
 - iv) Table H, 'European Union Procurement Thresholds' should state that this is 'Valid up until 31/12/16' and the following should be inserted under 'Replaced by':

Goods:	£164,176
Services:	£164,176
Works:	£4,104,394
 - v) Reference K1, against 'Best possible price' it should state 'Value less than or equal to £1,000' and not 'greater than'.
- c) Changes to the Constitution in line with the above recommendations be approved.

(Proposed by the Chairman)

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

45. ANNUAL AUDIT LETTER FROM GRANT THORNTON (01:24:44)

The Committee had before it, and **NOTED**, a report * from the external auditors presenting the Annual Audit Letter from Grant Thornton summarising the key findings arising from the work they had carried out for the year ended 31 March 2016.

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

46. EXTERNAL AUDIT PROGRESS REPORT AND UPDATE (01:26:30)

The Committee had before it, and **NOTED**, a report * from the external auditors providing a progress report and update. The Audit Plan for 2016/17 would be issued early in 2017. A number of emerging issues within the report were highlighted including an income generation workshop and a seminar highlighting Mid Devon's success in achieving a faster closure of accounts at which the Council's Finance Manager would co-present.

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

47. GENERAL DISCUSSION ON THE IMPACT OF BREXIT (01:30:37)

At the last meeting a request had been made to briefly discuss the implications of Brexit as far as they affected the Council and as far as they were known at the current time. The Director of Finance, Assets and Resources informed the Committee that they needed to be aware of the following:

- Certain projects relied on EU funding and may therefore be in jeopardy.
- The effect on the base rate might have both positive and negative effects upon the Council.
- Returns on short investments had reduced which made the Council's fixed dividend property investment with the Churches, Charities and Local Authorities (CCLA) even more attractive.
- If the Council wanted to do more innovative things, for example, build more industrial units and needed to borrow money from the Public Works and Liability Board, it might be possible to borrow money more cheaply.
- The effect of the exchange rate would not have a significant effect upon the Council itself but might have in terms of local businesses with whom it undertook projects. Any struggling companies were advised to approach the Council through its Economic Development Officer who could provide advice.

He concluded by stating that as soon more information was available he would update the Committee.

48. IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (01:38:30)

In addition to the items already identified for the next meeting it was requested that the Chief Executive be invited to attend the next meeting.

(The meeting ended at 7.23 pm)

CHAIRMAN

AUDIT COMMITTEE 22 NOVEMBER 2016:

PERFORMANCE AND RISK FOR THE SECOND QUARTER OF 2016-17

Cabinet Member Cllr Peter Hare-Scott, Leader of the Council
Responsible Officer Director of Corporate Affairs & Business Transformation,
Jill May

Reason for Report: To provide Members with an update on performance against the corporate plan and local service targets for 2016-17 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 1-5 provide Members with details of performance against the Corporate Plan and local service targets for the 2016-17 financial year.
- 1.2 When benchmarking information is available it is included.
- 1.3 Appendix 6 shows the higher impact risks from the Corporate Risk Register. This includes Operational and Health & Safety risks where the score meets the criteria for inclusion. See 3.0 below.
- 1.4 All appendices are produced from the Corporate Service Performance And Risk Management system (SPAR).

2.0 Performance

Environment Portfolio - Appendix 1

- 2.1 The chargeable **garden waste** scheme remains above target; so far 8,533 bin permits have been sold, with 102 new customers in quarter 2.

2.2 Most of the PIs are above target with only 2 showing below target: **% of missed collections reported per quarter (recycling)**; this is only marginally under target. The figure is the same as quarter 1 and is an improvement on 2015/16; more detail has been added as a note on Appendix 1. **% of missed collections reported per quarter (refuse and organic waste)**; this is only marginally under target.

2.3 The **% of household waste reused, recycled and composted** continues to improve and has reached 56.2% which is a very good result.

Homes Portfolio - Appendix 2

2.4 Housing tenancy PI's have improved overall from the previous quarter, with only one, **Rent Arrears as a Proportion of Annual Rent Debit**, being slightly under target.

2.5 The PI for the **Average Days to Re-let** times has improved from the last quarter from 17.2 days to 15.6 days, which means the service is currently performing better than the target of 16 days.

Economy Portfolio - Appendix 3

2.6 In this first year for the Economy PDG, members are asked to continue to consider what targets they would like to monitor but existing metrics are included at Appendix 1.

2.7 It should be noted that for **empty shops** a favourable result is achieved when the actual is less than the target and that as they are counted at the start of the quarter Q3 is included.

2.8 The **funding to support economic projects** reflects MDDC's share of the Exeter & Heart of Devon business support funding (£53,092), the Devon Enabling Fund (£3,750) and LEADER funding (£541).

2.9 There will also be statistics to reflect the general state of MDDC's economy available from time to time.

Community Portfolio - Appendix 4

2.10 **Compliance with food safety law** is above target which means that 91% of premises were again rated 3 or above under the Food Hygiene Rating Scheme.

Corporate - Appendix 5

2.11 The **sickness** figures were below target for 2015/16. This has been the source of some considerable concern to Members.

2.12 The **Response to FOI requests** is remains above target compared to being 'well below target' for 2015/16 which was due to a vacancy.

2.13 The **Planning Performance Planning Guarantee determine within 26 weeks** was on target for Q2 at 100%.

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 6)

3.2 Appendix 7 shows the risk matrix for MDDC for this quarter. If risks are not scored they are included in the matrix at their inherent score which will be higher than their current score would be.

4.0 Conclusion and Recommendation

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

Contact for more Information: Catherine Yandle Audit Team Leader ext 4975

Circulation of the Report: Management Team and Cabinet Member

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Corporate Plan Quarterly PI Report Environment

Quarterly report for 2016-2017
Arranged by Aims
Filtered by Aim: Priorities Environment
For MDDC - Services

Key to Performance Status:

Performance Indicators:	No Data	Well below target	Below target	On target	Above target	Well above target
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* indicates that an entity is linked to the Aim by its parent Service

Corporate Plan Quarterly PI Report Environment										
Priorities: Environment										
Aims: Increase recycling and reduce the amount of waste										
Performance Indicators										
Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes
<u>Residual household waste per household (measured in Kilograms)</u>	225.63 (2/4)	424.08	421.00	95.36	185.36			185.36 (2/4)	Stuart Noyce	(Quarter 1 - 2) This figure is estimated as Devon County Council verify the information 1-2 months behind perf deadline. Recycling continues to rise so above target. (LD)
<u>% of Household Waste Reuse, Recycled and Composted</u>	52.2% (2/4)	50.6%	52.0%	55.9%	56.2%			56.2% (2/4)	Stuart Noyce	(Quarter 2) This figure is estimated. Devon County Council verify data 1-2 months after perf deadline. Performance is above annual target but is always

Corporate Plan Quarterly PI Report Environment											
Priorities: Environment											
Aims: Increase recycling and reduce the amount of waste											
Performance Indicators											
Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes	
										higher in first two 1/4s due to garden waste tonnage. (LD)	
<u>Net annual cost of waste service per household</u>		£60.88	£58.17	n/a	n/a	n/a		n/a	Andrew Jarrett, Stuart Noyce		
<u>Number of Households on Chargeable Garden Waste</u>	0 (2/4)	7,021	10,000	8,431	8,533			8,533 (2/4)	Stuart Noyce	(Quarter 2) Number of customers continues to increase and this figure does not include sack customers. Target based on £500k income target. (SN)	
<u>% of missed collections reported per Quarter (refuse and organic waste)</u>	0.02% (2/4)	0.02%	0.03%	0.03%	0.03%			0.03% (2/4)	Stuart Noyce	(Quarter 2) Non Rounded Actual 0.036%. A few issues with IT systems have led to no drivers notes. (LD)	
<u>% of Missed Collections logged per Quarter (recycling)</u>	0.08% (2/4)	0.12%	0.03%	0.04%	0.04%			0.04% (2/4)	Stuart Noyce	(Quarter 2) On target for this quarter. A few issues with IT systems have led to no drivers notes. (LD)	

Aims: Reduce our carbon footprint

Corporate Plan Quarterly PI Report Environment

Priorities: Environment

Aims: Reduce our carbon footprint

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes
<u>To improve energy efficiency and continue to reduce consumption by 0.5% post degree day adjustment</u>		3.4%	0.5%	n/a	n/a	n/a		n/a	Andrew Busby	

Aims: Protect the natural environment

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes
<u>Number of Fixed Penalty Notices (FPNs) Issued (Environment)</u>	8 (2/4)	21	No target - for information only.	2	3			3 (2/4)	Stuart Noyce	

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Corporate Plan Quarterly PI Report Homes

Quarterly report for 2016-2017
 Arranged by Aims
 Filtered by Aim: Priorities Homes
 For MDDC - Services

Key to Performance Status:

Performance Indicators:	No Data	Well below target	Below target	On target	Above target	Well above target
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* indicates that an entity is linked to the Aim by its parent Service

Corporate Plan Quarterly PI Report Homes									
Priorities: Homes									
Aims: Build more council houses									
Performance Indicators									
Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Head of Service / Manager	Officer Notes
<u>Build Council Houses</u>		14	30	0	0			Nick Sanderson	(Quarter 2) 4 Houses to be built in Birchen Lane by the end of February 2017, and the remainder of 30 to be built by the end of August 2017. (NS)

Aims: Facilitate the housing growth that Mid Devon needs, including affordable housing									
Performance Indicators									
Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Head of Service / Manager	Officer Notes
<u>Deliver 15 homes per year by bringing Empty Houses into use</u>	4 (2/4)	8	15	2	5			Simon Newcombe, Tanya Wenham	
<u>Number of affordable homes delivered (gross)</u>	14 (2/4)	27	80	16	3			Angela Haigh	(Quarter 1 - 2) Quarter two saw the addition of three new shared ownership properties. (NS)

Aims: Other									
Performance Indicators									
Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Head of Service / Manager	Officer Notes
<u>Local Plan Review</u>	n/a	n/a		n/a	n/a	n/a		Jenny Clifford	
<u>Number of Successful Homelessness Prevention Cases</u>	154 (2/4)	295		70	136			Angela Haigh	
<u>% Decent</u>	99.28% (6/12)	100.00%	100.0%	100.0%	100.0%			Angela	(September)

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Corporate Plan Quarterly PI Report Homes									
Priorities: Homes									
Aims: Other									
Performance Indicators									
Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Head of Service / Manager	Officer Notes
Council Homes								Haigh, Nick Sanderson	On Target (SB)
<u>% Properties With a Valid Gas Safety Certificate</u>	99.72% (6/12)	99.86%	100.0%	99.9%	100.0%			Angela Haigh	(September) A single expired property. This is at Legal Stage. MDDC will seek a court injunction to enable access. This is the final month of the Rober Heath Heating contract. Subsequent data will relate to Servicing & Maintenance carried out by Liberty Gas Group Ltd. (WD)
<u>Rent Collected as a Proportion of Rent Owed</u>	99.04% (6/12)	99.74%	100.0%	97.3%	99.6%			Angela Haigh	(September) Performance remains just outside target and so I am not unduly concerned about performance against this indicator. (CF)
<u>Rent Arrears as a Proportion of Annual Rent Debit</u>	1.05% (6/12)	0.66%	1.0%	1.0%	1.0%			Angela Haigh	(September) Although outside target, performance remains in the top quartile, which is good. The numbers of tenants in receipt of

Corporate Plan Quarterly PI Report Homes									
Priorities: Homes									
Aims: Other									
Performance Indicators									
Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Head of Service / Manager	Officer Notes
									Universal Credit is increasing and this is likely to have an impact on our ability to collect rent going forward. (CF)
<u>Dwelling rent lost due to voids</u>	0.64% (6/12)	0.75%	no target - for information only	0.7%	0.6%			Angela Haigh	
<u>Average Days to Re-Let Local Authority Housing</u>	15.5days (6/12)	16.3days	16.0days	17.2days	15.6days			Claire Fry, Nick Sanderson	(September) On Target (MB)

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Corporate Plan Quarterly PI Report Economy

Quarterly report for 2016-2017
 Arranged by Aims
 Filtered by Aim: Priorities Economy
 For MDDC - Services

Key to Performance Status:

Performance Indicators:	No Data	Well below target	Below target	On target	Above target	Well above target
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* indicates that an entity is linked to the Aim by its parent Service

Corporate Plan Quarterly PI Report Economy

Priorities: Economy

Aims: Attract new businesses to the District

Performance Indicators										
Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes
<u>Number of business rate accounts</u>		2,872	No target - for information only.	2,868	2,880			2,880 (2/4)	John Chumbley	

Aims: Focus on business retention and growth of existing businesses

Performance Indicators										
Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes
<u>Number of Apprentices at MDDC</u>		13	9	14	13			13 (2/4)	Jill May	(Quarter 1) Government target proposed is 2.3% of FTEs (JM)

Aims: Improve and regenerate our town centres

Performance Indicators										
Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes
<u>Increase in Car Parking Vends</u>	n/a	n/a	No target - for information only.	129,488	159,929			159,929 (2/4)	Andrew Jarrett	(Quarter 1) The accountant noticed there was missing data in May and logged this with the supplier who

Corporate Plan Quarterly PI Report Economy

Priorities: Economy

Aims: Improve and regenerate our town centres

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes
										confirmed there was a "driver error". (JN)
<u>Tiverton Town Centre Masterplan</u>	n/a	n/a		n/a	n/a	n/a		n/a	Jenny Clifford	
<u>The Number of Empty Shops (TIVERTON)</u>	16 (3/4)	16	18	18	17	18		18 (3/4)	John Bodley-Scott	
<u>The Number of Empty Shops (CREDITON)</u>	6 (3/4)	7	8	9	7	8		8 (3/4)	John Bodley-Scott	(Quarter 2) 7 out of 115 properties (JB)
<u>The Number of Empty Shops (CULLOMPTON)</u>	7 (3/4)	8	8	10	10	10		10 (3/4)	John Bodley-Scott	(Quarter 3) 10 out of 86 properties (JB)

Aims: Other

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes
<u>Local Plan Review</u>	n/a	n/a		n/a	n/a	n/a		n/a	Jenny Clifford	
<u>Funding awarded to support economic projects</u>	n/a	n/a	No target - for information only	£53,092	£57,383			£57,383 (2/4)	None	(Quarter 2) Moved £3,750 from Q1 (CY)

Corporate Plan Quarterly PI Report Community

Quarterly report for 2016-2017
Arranged by Aims
Filtered by Aim: Priorities Community
For MDDC - Services

Key to Performance Status:

Performance Indicators:	No Data	Well below target	Below target	On target	Above target	Well above target
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* indicates that an entity is linked to the Aim by its parent Service

Corporate Plan Quarterly PI Report Community

Priorities: Community

Aims: Work with local communities to encourage them to support themselves

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes
<u>£ Council Grants / Head of Population</u>	n/a	n/a	£1.48	n/a	n/a	n/a		n/a	John Bodley-Scott	

Aims: Promote physical activity, health and wellbeing

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes
<u>Introduce Trimtrails across the District</u>	n/a	n/a	1	n/a	n/a	n/a		n/a	Jill May, Simon Newcombe	
<u>Total number of users is at least 900,000</u>	208,965 (1/4)	824,612	900,000	236,000				236,000 (1/4)	Jill May	
<u>Operational Recovery Rate</u>	83.76% (2/4)	85.15%	88%	84%	83%			83% (2/4)	Lee Chester	

Aims: Other

Corporate Plan Quarterly PI Report Community

Priorities: Community

Aims: Other

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes
<u>Local Plan Review</u>	n/a	n/a		n/a	n/a	n/a		n/a	Jenny Clifford	
<u>Number of web hits per month</u>	0 (2/4)	0	For information only	27,980	29,245			29,245 (2/4)	Liz Reeves	
<u>Compliance with food safety law</u>	n/a	n/a	90%	91%	91%			91% (2/4)	Simon Newcombe	

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Corporate Plan Quarterly PI Report Corporate

Quarterly report for 2016-2017

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 Quarterly PI Report Corporate										
Priorities: Delivering a Well-Managed Council										
Aims: Put customers first										
Performance Indicators										
Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes
Planning Applications: over 13 weeks old	26 (2/4)	40	45	37	39			39 (2/4)	Jenny Clifford	
New Performance Planning Guarantee determine within 26 weeks	97% (2/4)	97%	100%	93%	97%			97% (2/4)	Jenny Clifford	
Working Days Lost Due to Sickness Absence	3.68days (2/4)	8.12days	8.00days	1.71days	3.73days			3.73days (2/4)	Jill May	
% total NNDR collected - monthly	66.70% (7/12)	99.10%	99.20%	33.96%	61.48%			71.40% (7/12)	John Chumbley	
% of complaints resolved w/in timescales (10 days - 12 weeks)	100% (2/4)	93%	90%	94%	89%			89% (2/4)	Liz Reeves	(Quarter 2) Some services still need help using the system & 2 stage 2 complaints had 'disappeared' now found and should still be resolved within timescales. (RT)
Number of Complaints	39 (2/4)	95	For information only	106	75			75 (2/4)	Liz Reeves	(Quarter 2) Information from CRM report (RT)
Response to	90% (2/4)	87%	90%	95%	95%			95% (2/4)	Lynsey	

Corporate Plan Quarterly PI Report Corporate										
Priorities: Delivering a Well-Managed Council										
Aims: Put customers first										
Performance Indicators										
Title	Prev Year (Period)	Prev Year End	Annual Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act	Actual to Date	Head of Service / Manager	Officer Notes
<u>FOI Requests (within 20 working days)</u>									Chilcott, Liz Reeves	

Risk Report Appendix 6

Report for 2016-2017
 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 6

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

Effects (Impact/Severity):

Causes (Likelihood):

Service: Street Scene Services

Current Status:
Medium (5)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 1 -
Very Low

Head of Service: Stuart Noyce

Review Note: Risks largely restricted to trained/professional EH or PSH officers therefore overall status remains low

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: Risks largely restricted to trained/professional EH or PSH officers therefore overall status remains low

Risk Report Appendix 6

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: Car Park Car Park Overcrowding

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status: High (20)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 4 - High

Head of Service: Jill May

Review Note:

Risk: Chemicals Staff using chemicals incorrectly.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status: No Data

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 2 - Low

Head of Service: Lee Chester

Review Note:

Risk Report Appendix 6

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: No Data	Current Risk Severity: 5 - Very High	Current Risk Likelihood: 1 - Very Low
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Head of Service: 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: No Data	Current Risk Severity: 5 - Very High	Current Risk Likelihood: 1 - Very Low
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Head of Service: Andrew Jarrett

Review Note: Cabinet have recently agreed to invest in CCLA

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: No Data	Current Risk Severity: 5 - Very High	Current Risk Likelihood: 1 - Very Low
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Head of Service: Andrew Jarrett

Review Note: Strategy is approved by Cabinet annually. 2015 Audit found no issue with this

Risk Report Appendix 6

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: No Data	Current Risk Severity: 5 - Very High	Current Risk Likelihood: 1 - Very Low
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Head of Service: Liz Reeves

Review Note:

Risk: Electrical testing Failure to carry out periodic electrical testing could result in the risk of electrocution or fire.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status: Medium (10)	Current Risk Severity: 5 - Very High	Current Risk Likelihood: 2 - Low
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Head of Service: Nick Sanderson

Review Note:

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
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Head of Service: Liz Reeves

Review Note:

Risk Report Appendix 6

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: Liz Reeves

Review Note:

Risk: H&S RA - Recycling Depot Operatives Role risk assessment - Highest Risk scored

Effects (Impact/Severity):

Causes (Likelihood):

Service: Street Scene Services

Current Status: No
Data

Current Risk Severity: 5 - Very
High

Current Risk Likelihood: 2 -
Low

Head of Service: Stuart Noyce

Review Note: RA Review

Risk: H&S RA - Refuse Driver/Loader Risk Assessment for Role - Highest risk from role RA. - Risk of RTA from sever weather conditions

Effects (Impact/Severity):

Causes (Likelihood):

Service: Street Scene Services

Current Status: No
Data

Current Risk Severity: 5 - Very
High

Current Risk Likelihood: 2 -
Low

Head of Service: Stuart Noyce

Review Note: Annual Review of Risk Assesment

Risk Report Appendix 6

Risk: H&S RA - Street Cleansing Operative Job Role Risk Assessment

Effects (Impact/Severity):

Causes (Likelihood):

Service: Street Scene Services

Current Status: Medium (10)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 2 - Low

Head of Service: Stuart Noyce

Review Note: Risk with control measures added

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

Effects (Impact/Severity): • Dissatisfied customers and increase in complaints
• An investigation by DCLG
• Legal costs

Causes (Likelihood): • Social and economic factors like the recession and mortgage repossessions increase the number of homeless.

Service: Housing Services

Current Status: High (16)

Current Risk Severity: 4 - High

Current Risk Likelihood: 4 - High

Head of Service: Nick Sanderson

Review Note:

Risk: Impact of Welfare Reform and other emerging National Housing Policy Changes to benefits available to tenants could impact upon their ability to pay. Other initiatives could impact upon our ability to deliver our 30 year Business Plan.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status: High (15)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 3 - Medium

Head of Service: Nick Sanderson

Review Note:

Risk Report Appendix 6

Risk: Inadequate gas appliance maintenance and certification Failure to maintain service of our gas appliances on an annual basis could result in death and prosecution

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status: Medium (10)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 2 - Low

Head of Service: Nick Sanderson

Review Note:

Risk: Information Security Inadequate Information 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 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: High (15)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 3 - Medium

Head of Service: Liz Reeves

Review Note: this should be reviewed 6 monthly, corporate risk is high. Constant checks are in place and firewall etc. but risk of cyber attack constant

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 Report Appendix 6

Risk: Lone Working Lone Working of centre employees

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status:
Medium (10)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 2 - Low

Head of Service: Jill May

Review Note:

Risk: Noise Risk of hearing damage and headaches from high noise levels above 85 decibels and nuisance noise eg Printers, fans.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Street Scene Services

Current Status:
Medium (5)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 1 - Very Low

Head of Service: Stuart Noyce

Review Note: No change

Risk: Plant Rooms plant rooms

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status: No Data

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 1 - Very Low

Head of Service: Jill May

Review Note:

Risk: Pool Activities Pool Activities

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status: No Data

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 2 - Low

Head of Service: Lee Chester

Review Note:

Risk Report Appendix 6

Risk: St Andrew Street A staircase in the new development does not meet current building regulations due to conservation requirements.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status: High (15)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 3 - Medium

Head of Service: Nick Sanderson

Review Note: The staircase has to remain in position, no further issues reported from the housing team. We will continue to monitor and will take action where possible and permitted.

Risk: Vehicles, Transport, Driving Risk of collisions with other moving or stationary vehicles, cycles and/or pedestrians.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Street Scene Services

Current Status: Medium (5)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 1 - Very Low

Head of Service: Stuart Noyce

Review Note: No change

Risk: Widespread fire in block of flats Failure to carry out adequate fire risk assessments on our multiple occupancy properties, could result in widespread fire and death

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status: Medium (10)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 2 - Low

Head of Service: Nick Sanderson

Review Note:

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Risk Matrix

Report
For MDDC - Services
Current settings

Risk Likelihood	5 - Very High	No Risks	No Risks	No Risks	No Risks	No Risks
	4 - High	No Risks	No Risks	2 Risks	4 Risks	2 Risks
	3 - Medium	No Risks	2 Risks	8 Risks	10 Risks	5 Risks
	2 - Low	2 Risks	7 Risks	28 Risks	12 Risks	6 Risks
	1 - Very Low	4 Risks	9 Risks	7 Risks	19 Risks	10 Risks
		1 - Very Low	2 - Low	3 - Medium	4 - High	5 - Very High
		Risk Severity				

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AUDIT COMMITTEE 22 NOVEMBER 2016

INTERNAL AUDIT PROGRESS REPORT

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

Reason for Report: To update the Committee on the work performed by Internal Audit for the 2016/17 financial year.

RECOMMENDATION(S): The Committee notes the contents of this report.

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 2016/17 to 2019/20 and annual work plan for 2016/17 were presented to the Audit Committee at its meeting on 15 March 2016, where they were approved.

1.2 The purpose of this report is to provide the Committee with a progress report on performance against the 2016/17 Internal Audit work plan for the period from 1 April to 31 October 2016.

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 either cover the Council's key financial controls or the level of income is material in the context of the Council's annual accounts. These audits are allocated a larger number of days, as part of the risk based audit planning process, so they are carried out annually. Trade Waste and Car Park Income are carried out biennially for the same reason.

2.2.2 The Core audits have now started with Housing Benefits, Payroll and ICT.

2.3 Systems Audits

2.3.1 Systems Audits have been completed for Refuse & Recycling, Stores and Data Protection & Information Security, Private Sector Housing, Cemeteries & Bereavement Services, Standby, Voids management, Licensing, Sickness & Other Time Off, Land Charges, Lettings, Members' Allowances, Gifts & Hospitality and Exe Valley Leisure Centre.

2.3.2 The opinions for the last 5 of these are included in full in section 3 below.

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.

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.

2.4.4 The Audit Team Leader attends the Corporate Health & Safety Committee as Risk Advisor. The 2 Auditors take turns attending the ICT User groups.

2.5 Performance Indicators

2.5.1 As at the end of October 2016 the Internal Audit PIs are as follows:

	Current	Target
Core	6%	0%
System	61%	67%

2.5.2 Thirteen post-audit surveys have been sent out to clients; ten have been returned scored as 4-5 for all questions, meaning they were satisfied or very satisfied with the process, which is excellent. Three have been returned with a score of 3 for a couple of aspects of the audit which we need to keep an eye on e.g. the timing of the audit; but one of these was one we asked to slot it in at short notice due to a change, which the client kindly agreed to.

3.0 **Audit Opinions**

The following opinions have been issued since the last report:

3.1 **Lettings**

3.1.1 The Devon Home Choice computer system was audited by the South West Audit Partnership (SWAP) on behalf of EDDC in 2014/15 as part of a Tenancy Fraud Audit. Since then all of the high risk recommendations identified have been addressed; the system itself is well controlled and security for users and applicants is robust.

- 3.1.2 In terms of the administration of the lettings system by MDDC, the applications and allocations process works well.
- 3.1.3 All of the 20 of lets sampled from a 6 month period between July – December 2015 were allocated in line with the Council's procedures.
- 3.1.4 Since the revised Housing Allocation Policy was adopted in July 2016, there have been further amendments to the processes to ensure transparency in terms of the allocations process. One of these was to save all of the shortlisting reports with the reasons why an applicant had been 'skipped' (e.g. no local connection, where this was a condition). There was some inconsistency in this process, as 11 of the 20 shortlisting reports were missing. While the reports can be run retrospectively, it would mean the officer responsible would have to duplicate work already done if an applicant challenged the process.
- 3.1.5 It is the overall opinion of the auditor that the Lettings system is adequately controlled

Summary of Recommendations		
High	Medium	Low
1	3	

3.2 Land Charges

- 3.2.1 The Land charges team maintain a very efficient service, and meet their high target of 100% for turning requests around in 5 working days for most quarters. In 2015/16 they received 1,866 requests, with 1,221 (65%) being turned around within 1 working day. Only 2 (0.10%) searches failed to meet the 5 day target, and these were actually on day 6.
- 3.2.2 As well as carrying out 1,866 search requests in 2015/16, the Land Charges officers facilitated 356 personal searches where members of the public came into the office to conduct searches for themselves. Although the Land Charges Officers do not gather the information for members of the public, they are required to monitor and assist where necessary.
- 3.2.3 There is an adequate level of insurance to provide cover against any claim of inadequate information provided on a search. There have been no claims since 1995 so this would indicate that the Service is providing the correct information.
- 3.2.4 It is the overall opinion of the auditor that the Land Charges system is well controlled.

Summary of Recommendations		
High	Medium	Low
0	1	0

3.3 Members' Allowances

- 3.3.1 There are areas of payment of Members Allowance that are well monitored and well run. There is an independent Remuneration Panel who reviews and puts forward recommendations with regard to the level of Members Allowances. These recommendations are approved by Council and form the Members Allowances Schedule.
- 3.3.2 The Members monthly salary information held on the Payroll system is also available on the Finance system, eAnalyser. The information is uploaded automatically on a monthly basis and is well managed and controlled with the costs being allocated to the correct codes.
- 3.3.3 Payments to Members of basic and special responsibility allowances must be closely monitored to ensure correct payments are being made especially at a time of change e.g. after an election. A check was run earlier in the year between Member Services and Payroll to double check that payments being processed are correct. This is a very good process and should be carried out on a regular basis.
- 3.3.4 It is evident that Member Services have made improvements to the monitoring of travel, subsistence and other claims since the last audit. Where there has been a late expenses claim authorisation has been obtained with the exception of one claim. It is important to keep reinforcing the rules within the scheme to ensure that breaches do not occur. It is felt that there could be more checking of attendance at general Council meetings.
- 3.3.5 It is the overall opinion of the auditor that the Members Allowances system is adequately controlled.

Summary of Recommendations		
High	Medium	Low
0	1	1

3.4 Gifts & Hospitality

- 3.4.1 All Members were required to declare any 'Disclosable Pecuniary Interest' and 'non Pecuniary Interests' after election in 2015. Whilst there have not been any new Members since the last audit, Members do amend their Register of Interest forms as changes occur.
- 3.4.2 New employees are required to agree to the terms and conditions of the Officers' Code of Conduct before they start work. This area seems to be generally well monitored, although in the absence of checklists, the exclusively computerised HR files run the risk of being incomplete; indeed the only missing form was on one of these files.
- 3.4.3 There were 15 declarations received from members of staff. There were 4 declarations of over £10 but only one exceeded the £25 threshold. There were no declarations of gifts from Members.

- 3.4.4 As was observed the last 2 years it is difficult to monitor the area of gifts and hospitality as it relies on staff and Members declaring fully any items/hospitality received. A lack of disclosure would probably only be apparent if for example there was an instance of whistle-blowing. This highlights the importance of regular reminders.
- 3.4.5 It is the overall opinion of the auditor that the Gifts & Hospitality system is adequately controlled.

Summary of Recommendations		
High	Medium	Low
0	2	1

3.5 Exe Valley Leisure Centre

- 3.5.1 The Leisure Service covers 3 facilities, two with swimming pools (Exe Valley Leisure Centre and Lords Meadow Leisure Centre) and one without (Culm Valley Sports Centre). The service has undergone a major restructure in the past 12 months, in order to achieve a more strategic approach which will incorporate more consistent practices across all 3 sites.
- 3.5.2 Due to the latest restructure and the high levels of changeover of staff, training issues in respect of financial procedures have been identified and measures have begun to be put into place to address these; e.g. the revision and updating of procedure notes.
- 3.5.3 The nature of the business means that, the rota system used by the leisure centre for staff rota's is manual and time consuming. Using the Council's Etarmis system may be a possibility, but would require complex configuration. Although there is always a risk of human error when doing the rota's manually, no evidence was found in the samples selected during the audit that any errors had occurred.
- 3.5.4 Despite previous recommendations following audits of the other Leisure Centres, some staff are still not using the card 'clocking in' system at EVLC (the swimming teachers in particular). Although all of the sessions for fitness classes and swimming lessons are covered, the risk remains that if there was a last minute change to the person taking a class, the wrong person could be paid if the rota is not updated and the employees haven't clocked in. Therefore it must be enforced that all staff use the card clocking in system.
- 3.5.5 It is the overall opinion of the auditor that the Exe Valley Leisure systems are adequately controlled.

Summary of Recommendations		
High	Medium	Low
0	9	0

4.0 Conclusion

- 4.1 We will continue to monitor and report on our progress at each Audit Committee meeting. Outstanding audit recommendations are summarised at

Appendix 1. Overdue recommendations are 26% @ 31 October compared to 18% @ 31 August.

- 4.2 High Priority deadlines may only be extended with the Audit Committee's agreement. 3 have been made so far this year but none are overdue at this time.
- 4.3 Where there are insurmountable issues making achieving targets impossible then managers needed to bring these issues to the attention of the Chief Executive.

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

Incomplete Audits	Year	Recommendations											
		High			Medium			Low			Total		
		C	N	O	C	N	O	C	N	O	C	N	O
Appraisals & Training	2015		1		12	1	1		2		12	4	1
Cemetaries & Bereavement	2016				2	2	1				2	2	1
Council Tax/NNDR	2015				3	1	1				3	1	1
Corporate Health & Safety	2015	1			5		4	1		1	7	0	5
Creditors	2014				1		1	1			2	0	1
Creditors	2015				1		2				1	0	2
Data Protection	2016		1		2		1				2	1	1
Emergency Planning	2015				1	1		2	1		3	2	0
FOI	2015		1		1		1		1		1	2	1
Housing Repairs & Maintenance	2014				3	1		2			5	1	0
Income & Cash Collection	2015				1	1	2				1	1	2
Insurance	2015				2	1	2			1	2	1	3
Legal Services	2015				2		2				2	0	2
Leisure CVSC	2015				4		2				4	0	2
Licensing	2016		1			4	2				0	5	2
Lettings	2016	1					3				1	0	3
Payroll	2013				2		1	2			4	0	1
Payroll	2014				3		1				3	0	1
Private Sector Housing	2016					2			2		0	4	0
Procurement	2016					4				1	0	4	1
Recruitment & Selection & JE	2015				6		1	4		1	10	0	2
Refuse & Recycling	2016						1			2	0	0	3
Sickness & Other Time Off	2016					6	2				0	6	2
Standby	2016				2	1					2	1	0
Stores	2016				1				1		1	1	0
Time Recording	2014				7		2				7	0	2
Tiverton Pannier Market	2014				7		2	2			9	0	2
Trade Waste	2015				3		5				3	0	5
Vehicles & Fuel	2015	5			4	2	1				9	2	1
		7	4	0	75	27	41	14	7	6	96	38	47

CORE
SYSTEM

C = Completed
N = Not yet due
O = Overdue

[53%](#)

[21%](#)

[25%](#)

100%

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