

Public Document Pack

Mid Devon District Council

Audit Committee

Tuesday, 19 September 2017 at 5.30 pm
Exe Room, Phoenix House, Tiverton

Next ordinary meeting
Tuesday, 21 November 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. **Minutes of the previous meeting** (*Pages 5 - 10*)

To approve as a correct record the minutes of the special meeting held on 17 July 2017 (copy attached).

4. **Chairman's Announcements**

To receive any announcements that the Chairman may wish to make.

5. **Performance and Risk for 2017-18** (*Pages 11 - 40*)

To receive a report from the Director of Corporate Affairs & Business Transformation providing Members with an update on performance against the Corporate Plan and local service targets for 2017-18 as well as providing an update on the key business risks.

6. **Progress update on the Annual Governance Statement Action Plan** (*Pages 41 - 46*)

To receive a report from the Internal Audit Team Leader providing the Committee with an update on progress made against the Annual Governance Statement 2016/17 Action Plan.

7. **Internal Audit Progress Report** (*Pages 47 - 54*)

To receive a report from the Audit Manager updating the Committee on the work performed by Internal Audit for the 2017/18 financial year.

8. **External Audit Progress Report and Update** (*Pages 55 - 70*)

To receive a progress report and update from Grant Thornton regarding progress in delivering their responsibilities as the Council's external auditors.

9. **Annual Audit letter from Grant Thornton** (*Pages 71 - 82*)

To receive the Annual Audit Letter from the external auditors summarising the key findings arising from the work they have conducted for the year ended 31 March 2017.

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

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

- Performance and Risk
- Annual Governance Statement Action Plan update
- Internal Audit Progress Report
- External Audit Progress Report

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

Stephen Walford
Chief Executive
Monday 11 September 2017

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

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MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **HOMES POLICY DEVELOPMENT GROUP** held on 18 July 2017 at 2.15 pm

Present

Councillors

Mrs E M Andrews, Mrs H Bainbridge,
D R Coren, W J Daw, Mrs G Doe,
R J Dolley, P J Heal, F W Letch and
J D Squire

Also Present

Officers

Claire Fry (Housing Services Manager), Simon Newcombe (Public Health and Professional Services Manager), Catherine Yandle (Internal Audit Team Leader), Roderick Hewson (Principal Accountant), Stephen Bennett (Building Surveyor) and Sarah Lees (Member Services Officer)

14 **APOLOGIES AND SUBSTITUTE MEMBERS**

There were no apologies for absence.

15 **PUBLIC QUESTION TIME**

No members of the public were present.

16 **MINUTES**

The minutes of the meeting held on 23 May 2017 were confirmed as a true and accurate record and **SIGNED** by the Chairman.

17 **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had the following announcements to make:

- The Scrutiny Committee had formed a Working Group looking into Homelessness. They had recently had their first meeting where it was requested that a Member from the Homes PDG be invited to join the group since this was a shared area of interest. It was **AGREED** that Cllr Mrs G Doe would join the Working Group.
- He reminded the Group that following the next meeting on 12 September 2017 there would be an informal meeting of the Group with the Director of Operations and lead officers to discuss the approach to developing policy going forwards.

18 **REVIEW OF THE HOUSING SERVICE FIRE RISK IN COMMUNAL AREA POLICY (00:05:35)**

The Group had before it a report * from the Housing Services Manager reviewing the Fire Risk in Communal Areas policy. The contents of the report were outlined with

the officer stating the policy had been due for review and it had been coincidental that this had coincided with the recent Grenfell Tower disaster.

The following was highlighted within the report:

- In recent months there had been several incidents in one of the Council's schemes which had involved the Devon Fire and Rescue Service. As a result of these they had assisted with a review of the Council's fire prevention policy and procedures. They had been content with the policy but had suggested some further improvements mainly around the area of fire risk assessments. In addition to this there had been suggestions from other colleagues in the Public Health and Environmental Health areas.
- A system of fire risk assessments were now in place taking into consideration such issues as sight problems and English not being a first language. These were regularly reassessed to reflect the needs of the tenants living in a property at any one time.
- Since the Grenfell Tower disaster the Council had received a number of Freedom of Information requests relating to fire safety.

Consideration was given to the following:

- Ward Members were being kept informed when incidents of fire happened.
- There was now a zero tolerance policy with regard to anything being left in communal areas. This included mobility scooters which housed combustible batteries and needed to be stored in alternative locations.
- Social media was a very useful tool for informing tenants about fire safety and a regular newsletter in hard copy was sent to all tenants.
- There was increased signage in relation to fire throughout all Council owned blocks.
- Alleyways also needed to be kept clear but this was a difficult area since sometimes an alleyway formed part of someone's tenancy.
- The Housing Service worked with the Fire Service to offer home fire safety checks.

RECOMMENDED to the Cabinet that the revised Fire Risk in Communal Areas Policy be amended to include a reference to the fact that the Private Sector Housing lead officer had been consulted and that the revised policy as amended be approved.

(Proposed by Councillor Mrs H Bainbridge and seconded by Mrs G Doe)

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

19 **PRIVATE SECTOR HOUSING FEES AND CHARGES - CIVIL PENALTIES (00:22:30)**

The Group had before it a report * from the Public Health and Professional Services Manager updating Members with the proposed civil penalty fines for Housing Act 2004 offences as an alternative to prosecution, as discussed in the fees and charges paper of 14th March 2017.

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

- Section 126 and schedule 9 of the Housing and planning Act 2016 came into force on 6 April 2017. These provisions gave the Council as the local housing authority the power to issue a financial penalty for certain housing offences as an alternative to prosecution.
- The policy set out the proposed rationale for determining when to pursue prosecution and when to apply a civil penalty.
- The Group were referred to the table showing three categories of landlord and the different categories of offences and fines within that. The lowest fine would be £750 and the maximum under the legislation would be £30,000.
- There was a provision under the legislation for the Council to use the newly created register of rogue landlords and it was proposed this would be the case where a landlord had received two or more civil penalties in a specified period.

Discussion took place regarding:

- What powers did the Council have if a landlord denied responsibility for a poor standard of housing? It was explained that an improvement notice could be served but it would need to be established that the tenant had first tried to resolve the matter with the landlord and had put their complaint in writing. Often the threat of enforcement action, including a civil penalty in the future would be enough to secure an improvement.
- All enforcement and legal work in relation to these matters was undertaken in-house.
- It was confirmed that any income received by way of civil penalties did not go back into a general pot within the General Fund but instead was ring-fenced for use in the future enforcement of private sector housing standards.
- Debt would be recovered by bailiffs if over a certain amount.
- The decision on whether to use civil penalty powers (and to what extent) or to seek a prosecution would be made by the Service Manager or Director in conjunction with legal services.

RECOMMENDED to the Cabinet that the proposed civil penalties approach and the fines as set out in the report be approved.

(Proposed by Cllr R J Dolley and seconded by Cllr Mrs G Doe)

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

20 **FUEL POVERTY UPDATE (00:41:38)**

The group had before it, and **NOTED**, a briefing paper * from the Public Health and Professional Services Manager providing an update on the Fuel Poverty Strategy and initiatives for residents in Mid Devon.

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

- Mid Devon had a higher than average number of people living in fuel poverty who were unable to keep their homes warm at a reasonable cost. It was felt that this was systematic of the fact that Mid Devon was a rural area and had a

mild temperate climate. There was a preference for open fires, fresh air and there was a low turnover of properties meaning less home upgrades.

- The Home Energy Conservation Act 1995 (HECA) required local authorities to produce a plan to achieve improved home energy efficiency.
- Common health conditions caused by fuel poverty included a wide range of both physical and mental health impacts. Fuel poverty was also socially excluding as often people were less mobile because they were trying to keep themselves warm and less likely to invite people into their home.
- The Council together with the County Council and all other non-unitary councils worked in partnership with the Cosy Devon (E-On) who were part of the Government backed ECO scheme. If a resident was on income related benefits they could also be eligible for free loft insulation, free cavity wall insulation or a replacement boiler.
- There was also a local energy advice programme which could help with such issues as draft proofing or radiator foils. There was also the option of a low cost Wessex loan.
- Implementation of the energy switching scheme was now well advanced and under final contract review.

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

21 **UPDATE ON THE WESSEX SCHEME (00:58:40)**

The Public Health and Professional Services Manager provided the Group with a verbal update in relation to the Wessex scheme, this included the following:

- The recent pilot had been very successful with a large increase in the uptake of loans.
- Approval time had been reduced to 8 weeks on average. This had been a significant factor in the increased take up of loans since previously some people had dropped out of the system because it had taken too long.
- An approach had been made to Devon County Council for some funding under the Home Assistance Scheme and the Council had been successful in receiving £100k to put into the Wessex Scheme.
- Increased advertising and drop in sessions, as well as working with partner agencies such as Age UK, had also helped to promote the scheme.
- A new contract would be drawn up between the Council and Wessex once negotiations regarding the terms had been completed.

A further update would be brought to the next meeting.

22 **PERFORMANCE AND RISK REPORT FOR 2017-18 (01:05:12)**

The Group had before it, and **NOTED**, a report * from the Director of Operations providing Members with an update on performance against the Corporate Plan and local service targets for 2017/18 as well as providing an update on the key business risks. It was explained that there were now clearer links to the Corporate Plan aims within the report.

Discussion took place regarding:

- Percentage of Properties with a Valid Gas Safety Certificate (LGSR): MDDC had been extending the mains gas network via the modernisation contract. The Gas Administrator had carried out reconciliation of known and expected properties with gas supplies and had discovered 3 expired LGSRs because the addresses had not been added to the contract after a new supply was installed. The servicing of these properties was prioritised and LGSRs subsequently issued (7/06/2017).
- The physical and mental well-being of officers had been identified as a medium risk. It was confirmed by the Housing Services Manager that in her profession housing officers were quite often subjected to verbal abuse. This was to some extent inevitable given housing officers made home visits to people sometimes living in crisis, or having alcohol or drug related problems. It was important to be alert to the fact that officers working on the front line had the potential to be working under a lot of stress. As a way of mitigating this it was explained that there were a lot of opportunities for officers to 'let off steam' as well as a counselling scheme and work based coaches.

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

23 **REVENUE AND CAPITAL OUTTURN 2016/17 (01:13:55)**

The Group had before it, and **NOTED**, a report * from the Director of Finance, Assets & Resources presenting the revenue and capital outturn figures for the financial year 2016/17.

The key messages within the report were as follows:

- The General Fund had finished the financial year with a small surplus of £30k
- The balance on the Housing Revenue Account had not moved and remained at £2m.
- The money in the housing maintenance fund helped to fund the 30 year plan for major works such as the replacement of roofs, boilers and heating systems.
- There had been a reduction in staff costs within the housing and tenancy teams.

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

24 **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (01:20:00)**

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

- Update on the Wessex Scheme

(The meeting ended at 3.35 pm)

CHAIRMAN

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AUDIT COMMITTEE 19 SEPTEMBER 2017

PERFORMANCE AND RISK FOR 2017-18

Cabinet Member Cllr Peter Hare-Scott
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 2017-18 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.

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

1.0 Introduction

- 1.1 Appendices 1-5 provide Members with details of performance against the Corporate Plan and local service targets for the 2017-18 financial year.
- 1.2 When benchmarking information is available it is included.
- 1.3 Appendix 6 shows the higher impact risks from the Corporate Risk Register. This includes Operational and Health & Safety risks where the score meets the criteria for inclusion. See 3.0 below.
- 1.4 Appendix 7 shows the risk matrix for the Council.
- 1.5 All appendices are produced from the Corporate Service Performance And Risk Management system (SPAR).

2.0 Performance

Environment Portfolio - Appendix 1

- 2.1 Regarding the Corporate Plan Aim: **Increase recycling and reduce the amount of waste**: The Council is on track with **Residual household waste per household (measured in Kilograms)** in total until June of just under 99kg against a profiled target of 105kg. We are a little below target with the **% of household waste reused, recycled and composted** and the % tends to be lower later in the year due to the reduction in garden waste tonnage. However recycling income was above budget in July.
- 2.2 The transfer station is under construction at Carlu Close and should be in operation before the end of September.
- 2.3 **Number of Households on Chargeable Garden Waste**; sales/renewals exceeded the target of 9,000 by the end of June. We would expect the increase in numbers to slow now the peak growing season has passed but income is on budget for the year.
- 2.4 For trade waste we have lost a couple of significant customers but the loss of income has been offset by reduced landfill disposal charges.
- 2.5 Regarding the Corporate Plan Aim: **Reduce our carbon footprint**: We will be reporting the number of units sold to the National Grid as an indicator of the Council's fuel efficiency going forward when the figures are available as agreed.
- 2.6 Regarding the Corporate Plan Aim: **Protect the natural environment**: the Council launched **Litter Busters** in May since then they have cleared the Tiverton part of the A361, some villages and lots of fly tipping.

Homes Portfolio - Appendix 2

- 2.7 Regarding the Corporate Plan Aim: **Build more council houses**: No new **Council Houses** were completed in 2016/17 nor so far in 2017/18 however work has re-commenced on Birchen Lane and Palmerston Park.
- 2.8 Regarding the Corporate Plan Aim: **Facilitate the housing growth that Mid Devon needs, including affordable housing**: **23 empty homes** have been brought back into use against an annual target of 25 for 2017/18 so far which is excellent. **Number of Affordable Homes Delivered** was 26 for the first quarter of 2017/18, the first time target has been exceeded for over 2 years.
- 2.9 Regarding the Corporate Plan Aim: **Planning and enhancing the built environment**: The Local Plan is now at the Examination stage with preliminary hearings scheduled for September at Phoenix House.
- 2.10 **Percentage of Properties with a Valid Gas Safety Certificate (LGSR)**: 4 properties have expired certification, an increase of 1 from last month, 2 of

these are unoccupied, the other 2 are being pursued in accordance with our policy.

- 2.11 The **Rent Collected as a Proportion of Rent Owed** was 96.87% in July against a target of 100% however, **Rent Arrears as a Proportion of Annual Rent Debit** was 1.30%, against a target of 1%; this is still in the top quartile when compared with HouseMark. The impact of welfare reform is now being felt the service will be looking at ways to mitigate this in the Service Business Plan for next year. Over the next couple of years as the effects of the introduction of Universal Credit are finally felt we cannot expect to continue achieving collection rates of 100%.

Economy Portfolio - Appendix 3

- 2.12 Regarding the Corporate Plan Aim: **Attract new businesses to the District:** The last 12 months have seen a high volume of enquiries; the M5 corridor in particular is proving popular now that some of the larger employment land allocations have been unlocked. Businesses have grown into Mid Devon from surrounding local authority areas, parts of Wales, Somerset, and Peterborough.
- 2.13 Regarding the Corporate Plan Aim: **Focus on business retention and growth of existing businesses:** The target for the number of **Apprentice starts** is the government target of 2.3% of FTEs. We had 9 apprentices @ 31 March 2017 with 5 starters during 2016/17, we haven't had any new apprentices so far this year but several apprentices will be recruited at the start of the academic year; we are working closely with our local college on this.
- 2.14 Regarding the Corporate Plan Aim: **Improve and regenerate our town centres with the aim of increasing footfall, dwell-time and spend in our town centres:** for **Empty shops**, which are counted at the start of each quarter, the position has deteriorated from last year with only Cullompton having fewer empty units and Tiverton markedly more.
- 2.15 Regarding the Corporate Plan Aim: **Grow the tourism sector:** Tiverton Pannier Market has held another 4 successful Electric Nights events with 2 more planned for this year.
- 2.16 Other: The Local Plan is now at the Examination stage with preliminary hearings scheduled for September at Phoenix House. The draft Tiverton Town Masterplan is due to go before Cabinet in September prior to consultation.

Community Portfolio - Appendix 4

- 2.17 Regarding the Corporate Plan Aim: **Promote physical activity, health and wellbeing:** The GP referrals across the district; the 22 surgeries signed up since January have referred 61 people between them to the 3 Leisure Centres.

- 2.18 It was **AGREED** at the 1 August meeting that the Audit Team Leader be tasked to provide a performance indicator regarding other methods of improving health and wellbeing within the District: This is being pursued.
- 2.1 Other: **Compliance with food safety law** is 89%, which is just below the target i.e. 90%, of premises being rated 4 or above under the Food Hygiene Rating Scheme. Responsibility for compliance rests with the business; MDDC's responsibility is to carry out the food premises inspections that should be carried out (for A & B - High Risk premises) this is an annual figure for 2016/17 it was 100%.

Corporate - Appendix 5

- 2.19 The **working days lost due to sickness** is a little below target.
- 2.20 The **Response to FOI requests** is well below target. At present there is no dedicated member of staff, Customer First are holding onto things and recruitment for a replacement member of staff is expected later in the month.
- 2.21 The **Performance Planning Guarantee determined within 26 weeks** and **major applications determined within 13 weeks** were slightly below target but the other speed and quality measures are well above the required target.
- 2.22 The PIs for Customer First are generally on or above target except complaints resolved within timescales.

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 10 or more. (Appendix 6)
- 3.2 Appendix 7 shows the risk matrix for MDDC for this quarter. If risks are not scored they are included in the matrix at their inherent score which will be higher than their current score would be.

4.0 Conclusion and Recommendation

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

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

Circulation of the Report: Management Team and Cabinet Member

Corporate Plan PI Report Corporate

Monthly report for 2017-2018
 Arranged by Aims
 Filtered by Aim: Priorities Delivering a Well-Managed Council
 For MDDC - Services

Key to Performance Status:

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

Corporate Plan PI Report Corporate																
Priorities: Delivering a Well-Managed Council																
Aims: Put customers first																
Performance Indicators																
Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date
<u>% of complaints resolved w/in timescales (10 days - 12 weeks)</u>	94% (4/12)	92%	90%	100%	96%	88%	83%									83% (4/12)
<u>Number of Complaints</u>	16 (4/12)	21	For information only	13	13	23	15									15 (4/12)
<u>New Performance Planning Guarantee determine within 26 weeks</u>	93% (1/4)	98%	100%	n/a	n/a	99%	n/a	99% (1/4)								
<u>Major applications determined within 13 weeks (over last 2 years)</u>	51% (1/4)	74%	50%	n/a	n/a	47%	n/a	47% (1/4)								
<u>Minor applications determined within 8 weeks (over last 2 years)</u>	(1/4)	76%	65%	n/a	n/a	79%	n/a	79% (1/4)								
<u>Major applications overturned at appeal (over last 2 years)</u>	14% (1/4)	9%	10%	n/a	n/a	4%	n/a	4% (1/4)								
<u>Minor applications overturned at appeal (over last 2 years)</u>	n/a	n/a	10%	n/a	n/a	0%	n/a	0% (1/4)								
<u>Response to FOI Requests (within 20 working</u>	97% (4/12)	94%	100%	79%	85%	82%	80%									80% (4/12)

Corporate Plan PI Report Corporate																
Priorities: Delivering a Well-Managed Council																
Aims: Put customers first																
Performance Indicators																
Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date
<u>days)</u>																
<u>Working Days Lost Due to Sickness Absence</u>	2.23days (4/12)	7.89days	7.00days	0.61days	1.25days	1.88days	2.54days									2.54days (4/12)
<u>Return on Commercial Portfolio</u>		8.6%	7.5%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<u>% total Council tax collected - monthly</u>	47.82% (5/12)	98.10%	98.50%	11.34%	20.61%	29.74%	38.73%	51.60%								51.60% (5/12)
<u>% total NDR collected - monthly</u>	49.64% (5/12)	99.18%	99.20%	12.20%	19.88%	33.72%	40.57%	50.41%								50.41% (5/12)
<u>Number of visitors per month</u>	3,014 (3/12)	2,761	3,000	2,351	2,673	2,784										2,784 (3/12)
<u>Satisfaction with front-line services</u>	75.68% (3/12)	81.58%	80.00%	0.00%	0.00%	97.59%										97.59% (3/12)
<u>Increase Number of Digital payments</u>	17,622 (3/12)	69,567	70,960	5,927	11,973	17,839										17,839 (3/12)

Corporate Plan PI Report Community

Monthly report for 2017-2018
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 PI Report Community

Priorities: Community

Aims: Promote physical activity, health and wellbeing

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Group Manager	Officer Notes
GP Referrals	n/a	n/a		18				22								22 (5/12)	Corinne Parnall	(August) Out of a possible 28 (CY)
Introduce Trimtrails across the District		0	1	n/a		n/a	Simon Newcombe											

Aims: Other

Performance Indicators

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

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Corporate Plan PI Report Community

Priorities: Community

Aims: Other

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Group Manager	Officer Notes
<u>Number of social media communications MDDC send out</u>	86 (4/12)	191	For information only	87	129	101	152									152 (4/12)	Liz Reeves	(July) No. of Facebook Posts Published = 81 No. of Tweets Tweeted = 71 (MA)
<u>Number of web hits per month</u>	9,389 (4/12)	28,543	***For information only***	30,041	32,545	28,620	28,208									28,208 (4/12)	Liz Reeves	
<u>Compliance with food safety law</u>	91% (5/12)	89%	90%	90%	90%	90%	89%	89%								89% (5/12)	Simon Newcombe	

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Corporate Plan PI Report Economy

Monthly report for 2017-2018
 Arranged by Aims
 Filtered by Aim: Priorities Economy
 For MDDC - Services

Key to Performance Status:

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

Corporate Plan PI Report Economy

Priorities: Economy

Aims: Attract new businesses to the District

Performance Indicators																		
Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Group Manager	Officer Notes
Number of business rate accounts	2,868 (3/12)	2,930	2,975	2,933	2,936	2,942										2,942 (3/12)	John Chumbley, Andrew Jarrett	

Aims: Focus on business retention and growth of existing businesses

Performance Indicators																		
Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Group Manager	Officer Notes
Number of Apprentice starts at MDDC	1 (4/12)	5	10	0	0	0	0									0 (4/12)	Jane Cottrell	

Aims: Improve and regenerate our town centres

Performance Indicators																		
Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Group Manager	Officer Notes
Increase in Car Parking Vends	52,983 (4/12)	55,241		48,051	53,937	54,086	54,730									54,730 (4/12)	Andrew Jarrett	
The Number of Empty Shops (TIVERTON)	17 (2/4)	16	18	n/a	n/a	19	n/a	n/a	25	n/a	n/a	n/a	n/a	n/a	n/a	25 (2/4)	Adrian Welsh	(Quarter 11% of retail uni (JB)
The Number of Empty Shops (CREDITON)	7 (2/4)	7	8	n/a	n/a		n/a	n/a	8	n/a	n/a	n/a	n/a	n/a	n/a	8 (2/4)	Adrian Welsh	(Quarter 8 vacant units represent 6.8% of number retail uni (JB)
The Number of Empty Shops (CULLOMPTON)	10 (2/4)	8	8	n/a	n/a	11	n/a	n/a	9	n/a	n/a	n/a	n/a	n/a	n/a	9 (2/4)	Adrian Welsh	(Quarter 9 vacant units represent 10.5% of the total retail uni (JB)

Aims: Other

Performance Indicators																		
Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Group Manager	Officer Notes
Funding awarded to support economic projects	£53,092 (1/4)	£61,842		n/a	n/a	£0	n/a	£0 (1/4)	Adrian Welsh									

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Corporate Plan PI Report Environment

Monthly report for 2017-2018
 Arranged by Aims
 Filtered by Aim: Priorities Environment
 For MDDC - Services

Key to Performance Status:

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

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

Corporate Plan PI Report Environment

Priorities: Environment

Aims: Increase recycling and reduce the amount of waste

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Group Manager	Officer Notes
<u>Residual household waste per household (measured in Kilograms)</u>	94.50 (3/12)	374.20	420.00	32.80	63.57	98.59										98.59 (3/12)	Stuart Noyce	(April - July) Figures supplied by DCC one month behind reporting cycle. (LD)
<u>% of Household Waste Reuse, Recycled and Composted</u>	55.80% (3/12)	53.29%	53.0%	51.3%	52.6%	51.3%										51.3% (3/12)	Stuart Noyce	(July) Figures supplied by DCC one month behind reporting cycle. (LD)
<u>Net annual cost of waste service per household</u>		£56.37	£50.35	n/a	Stuart Noyce													
<u>Number of Households on Chargeable Garden Waste</u>	0 (4/12)	8,536	9,000	8,692	8,973	9,107	9,343									9,343 (4/12)	Stuart Noyce	
<u>% of missed collections reported (refuse and organic waste)</u>	0.03% (4/12)	0.04%	0.03%	0.04%	0.03%	0.03%	0.03%									0.03% (4/12)	Stuart Noyce	(July) Continue to remain on target (LD)
<u>% of Missed Collections logged (recycling)</u>	0.04% (4/12)	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%									0.03% (4/12)	Stuart Noyce	(July) Continue to remain on target (LD)

Aims: Protect the natural environment

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Group Manager	Officer Notes
<u>Number of Fixed Penalty Notices (FPNs) Issued (Environment)</u>	2 (4/12)	10		5	9	10	13									13 (4/12)	Jan Norman	

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Corporate Plan PI Report Homes

Monthly report for 2017-2018
 Arranged by Aims
 Filtered by Aim: Priorities Homes
 For MDDC - Services

Key to Performance Status:

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

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

Corporate Plan PI Report Homes

Priorities: Homes

Aims: Build more council houses

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Group Manager	Officer Notes
Build Council Houses	0 (1/4)	0	13	0	0	0	0									0 (4/12)	Angela Haigh	

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

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Group Manager	Officer Notes
Number of affordable homes delivered (gross)	16 (1/4)	31	80	n/a	n/a	26	n/a	n/a		n/a	n/a		n/a	n/a		26 (1/4)	Angela Haigh	(Quarter 1) Please note 1 subject to verification, wa and Cornwall Housing As confirm if they had more completed in Cullompton
Deliver 15 homes per year by bringing Empty Houses into use	3 (4/12)	33	25	7	11	13	23									23 (4/12)	Simon Newcombe	

Aims: Other

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Group Manager	Officer Notes
Number of Successful Homelessness Prevention Cases	70 (1/4)	295	No Target - for information only			n/a		n/a			99		n/a	n/a				99 (1/4) /
% Decent Council Homes	100.00% (4/12)	100.00%	100.00%	99.93%	99.93%	99.97%	99.93%											99.93% (4/12) /
% Properties With a Valid Gas Safety Certificate	99.87% (4/12)	99.86%	100.00%	99.95%	99.64%	99.87%	99.82%											99.82% (4/12) /
Rent Collected as a Proportion of Rent Owed	97.77% (4/12)	100.18%	100.00%	93.76%	95.18%	96.25%	96.87%											96.87% (4/12) /
Current Tenant Arrears as a Proportion of Annual Rent Debit	1.08% (4/12)	0.60%	1.00%	0.93%	1.06%	1.16%	1.30%											1.30% (4/12) /
Dwelling rent lost due to voids	0.7% (4/12)	0.5%	no target - for information only	0.4%	0.5%	0.5%	0.5%											0.5% (4/12) /
Average Days to Re-Let Local Authority Housing	18.0days (4/12)	15.7days	16.0days	14.0days	13.9days	14.9days	14.1days											14.1days (4/12) /

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Risk Matrix

Report
For MDDC - Services
Current settings

Risk Likelihood	5 - Very High	No Risks	No Risks	1 Risk	No Risks	No Risks
	4 - High	No Risks	No Risks	2 Risks	1 Risk	2 Risks
	3 - Medium	No Risks	5 Risks	10 Risks	9 Risks	3 Risks
	2 - Low	3 Risks	17 Risks	27 Risks	30 Risks	17 Risks
	1 - Very Low	7 Risks	10 Risks	8 Risks	14 Risks	19 Risks
		1 - Very Low	2 - Low	3 - Medium	4 - High	5 - Very High
		Risk Severity				

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Risk Report Appendix 6

Report for 2017-2018
Filtered by Flag: Include: * CRR 5+ / 15+
For MDDC - Services

Filtered by Performance Status: Exclude Risk Status: Low
Not Including Risk Child Projects records or Mitigating Action records

Key to Performance Status:

Risks: No Data (0+) High (15+) Medium (6+) Low (1+)

Risk Report Appendix 6

Risk: Affordable and Council Housing Demand Housing supply does not meet local demand or reflect demographic shifts like increased demand for single occupancy

Effects (Impact/Severity): • Increased costs for paying for private accommodation to house homeless
 • Increase in number of homeless people in Mid Devon

Causes (Likelihood): • Impact of economic downturn and reduced funding has reduced number of affordable housing units being built
 • Under-occupation in existing stock
 • Reduction in number of Right to Buys results in less HRA funding available for new builds

Service: Housing Services

Current Status: Medium (12)	Current Risk Severity: 4 - High	Current Risk Likelihood: 3 - Medium
------------------------------------	--	--

Service Manager: Claire Fry

Review Note: There is still a significant deficit between permissions granted and build-out rates

Risk Report Appendix 6

Risk: Asset Management • The Council may not be optimising its portfolio of assets

- Assets purchased without prior approval may not be supported by Council policies and systems
- Misuse of assets could have a financial impact to the Council
- Inadequate inventory records could invalidate insurance claims, disrupt the business continuity process and hide instances of theft
- Failure to maintain the Asset Management Strategy could result in an inefficient use of resources

Not making a commercial ROI

Effects (Impact/Severity): • Theft of stocks and stores

Causes (Likelihood): • Mismanagement of stocks and stores

Service: Property Services

Current Status:
Medium (12)

Current Risk Severity: 3 -
Medium

Current Risk Likelihood: 4 -
High

Service Manager: Andrew Busby

Review Note: Capital Asset Management Strategy 2016-2020 on the website

Risk: Car Parks Car Park Overcrowding

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status: No
Data

Current Risk Severity: 4 -
High

Current Risk Likelihood: 3 -
Medium

Service Manager: Darren Beer

Review Note:

Risk: Dangerous Equipment Risks associated with using powered equipment and machinery or that which has moving parts eg fans, woodworking machines, abrasive wheels. Also risks with using powered portable tools eg electric drill, off-hand grinders as well as manual tools eg knife, guillotine.

There are risks that some equipment may produce electromagnetic interference with pace-makers.

Effects (Impact/Severity): High if no PPE worn or risk assessments not followed

Causes (Likelihood): medium if procedures followed.

Service: Property Services

Current Status:
Medium (12)

Current Risk Severity: 4 -
High

Current Risk Likelihood: 3 -
Medium

Service Manager: Andrew Busby

Review Note:

Risk Report Appendix 6

Risk: Decline in National Macro-economics A decline in national macro-economics could result in level of influence by local government being limited and having little or no impact on local economic activity

Effects (Impact/Severity): High - Inability to meet Council objectives, customer requirements or financial commitments

Causes (Likelihood): High - no control over macro-economics but Council objectives and action plan currently in process to increase local economic activity

Service: Community Development

Current Status: Medium (12)	Current Risk Severity: 4 - High	Current Risk Likelihood: 3 - Medium
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Service Manager: John Bodley-Scott

Review Note:

Risk: Economic Development Service Failure to promote economic activity within the District will suppress the potential for new jobs and increased prosperity for residents

A continuing economic recession could jeopardise our ability to achieve corporate objective of 'A Thriving Economy'

Effects (Impact/Severity): - Inability to meet Council objectives

- A lack of inward investment

- Uncertain economic recovery, impact on employment and infrastructure development

Causes (Likelihood): - Decline in national macro-economics

Service: Community Development

Current Status: Medium (12)	Current Risk Severity: 4 - High	Current Risk Likelihood: 3 - Medium
---------------------------------------	---	---

Service Manager: Adrian Welsh

Review Note: Economic Strategy currently being prepared which will focus the District Council's intervention in a more focused way and will also enable improved monitoring for this risk.

Risk: Evictions Tenants being evicted could become violent.

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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Service Manager: Claire Fry

Review Note:

Risk Report Appendix 6

Risk: Failure to deliver Transfer Station at Carlu Close Loss would relate to financial penalties for late delivery, loss of savings, increased mileage

Effects (Impact/Severity):

Causes (Likelihood):

Service: Property Services

Current Status: Medium (10)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 2 - Low

Service Manager: Andrew Busby

Review Note:

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: No Data

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 1 - Very Low

Service Manager: Liz Reeves

Review Note:

Risk: Five Year Commercial Land supply Failure to identify a 5 year land supply will stunt economic growth

Effects (Impact/Severity):

Causes (Likelihood):

Service: Planning

Current Status: High (20)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 4 - High

Service Manager: Jenny Clifford

Review Note:

Risk Report Appendix 6

Risk: Five year housing land Supply Risk: Housing land supply. Inability to demonstrate the required 5 year housing land supply (+20%) until Local Plan Review approved

Effects (Impact/Severity): Effects (Impact /severity):

- Receipt of speculative housing applications in unplanned locations with less community benefit and less infrastructure / coordination compared with allocated sites.
- Objections
- Pressure on major application appeal performance (Government indicator of quality of decision making). Risk of intervention: loss of fee and less local control over major application decision making.

Causes (Likelihood): - Lack of sufficient housing completions, housing market conditions.

Service: Planning

Current Status: High (15)

Current Risk Severity: 3 - Medium

Current Risk Likelihood: 5 - Very High

Service Manager: Jenny Clifford

Review Note: Found to not have sufficient housing supply at appeal. Mitigation principally via new Local Plan once adopted. Close monitoring of applications, decisions and associated appeal performance.

Risk: Green Spaces Green Spaces - arborist team

Effects (Impact/Severity):

Causes (Likelihood):

Service: Grounds Maintenance

Current Status: Medium (10)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 2 - Low

Service Manager: Joe Scully

Review Note: Because of the nature of the work which can be in areas of limited access to emergency services and of a high risk all team members should be First Aid at Work (FAW)

Risk: H&S RA - Recycling Depot Operatives Risk assessment for role - Highest Risk scored - Vehicle Movements inside Depot

Effects (Impact/Severity):

Causes (Likelihood):

Service: Street Scene Services

Current Status: Medium (10)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 2 - Low

Service Manager: Stuart Noyce

Review Note: No incidents or further mitigating actions added.

Risk Report Appendix 6

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

Effects (Impact/Severity):

Causes (Likelihood):

Service: Street Scene Services

Current Status:
Medium (10)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 2 -
Low

Service Manager: Stuart Noyce

Review Note: Annual review - No incidents or further mitigating actions added.

Risk: H&S RA - Street Cleansing Operative Risk assessment for role - highest risk from role - Risk of RTA from severe weather conditions

Effects (Impact/Severity):

Causes (Likelihood):

Service: Street Scene Services

Current Status:
Medium (10)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 2 -
Low

Service Manager: Stuart Noyce

Review Note: Risk with control measures added

Risk: Hoarding Some tenants are known hoarders but we have policies in place and we do regular inspections.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status:
Medium (10)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 2 -
Low

Service Manager: Claire Fry

Review Note:

Risk Report Appendix 6

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

Effects (Impact/Severity): - Dissatisfied customers and increase in complaints.
 - This will involve an increase in officer time in dealing with Homelessness prevention and early intervention.
 - Possible increase in temporary accommodation usage.

Causes (Likelihood): - Social and economic factors like the recession and mortgage repossessions increase the number of homeless.
 - Lack of private sector housing.

Service: Housing Services

Current Status: High (16)

Current Risk Severity: 4 - High

Current Risk Likelihood: 4 - High

Service Manager: Michael Parker

Review Note: It is likely that the new Homelessness Reduction Act 2017 will place additional responsibilities on the Council.

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

Service Manager: Claire Fry

Review Note:

Risk Report Appendix 6

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 (20)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 4 - High

Service Manager: Liz Reeves

Review Note: Increased awareness training for all staff and members, Information Security training calendar to ensure all year reminders.

Trialling systems to send phishing emails to staff as training tool.

Risk: Legionella Legionella

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status: Medium (10)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 2 - Low

Service Manager: Darren Beer

Review Note:

Risk: Local Plan Whether the Inspector will find the Plan unsound

Effects (Impact/Severity):

Causes (Likelihood):

Service: Planning

Current Status: High (15)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 3 - Medium

Service Manager: Jenny Clifford

Review Note: Some mitigation is possible important to be as well prepared for the hearing in September as possible.

Risk Report Appendix 6

Risk: Lone Working Risks associated with working alone (eg on site visits, call-outs, evening, weekend and emergency work and working from home).

Effects (Impact/Severity):

Causes (Likelihood):

Service: Property Services

Current Status:
Medium (12)

Current Risk Severity: 4 - High

Current Risk Likelihood: 3 - Medium

Service Manager: Andrew Busby

Review Note:

Risk: New Homes A low housing build rate would equal less affordable housing resulting in a reduction in potential New Homes Bonus

Effects (Impact/Severity): - Loss of Affordable Housing Income Section 106

- Failure to meet targets in Development Plan

- Potentially unallocated sites being developed as 5-year housing supply reduces

Causes (Likelihood):

Service: Planning

Current Status:
Medium (12)

Current Risk Severity: 4 - High

Current Risk Likelihood: 3 - Medium

Service Manager: Jenny Clifford

Review Note:

Risk: Pannier market general risk assessment General risk assessment for the market's day to day operation

Effects (Impact/Severity): Score of 5 as their appears to be a movement in the structure causing the glass doors to bow

Causes (Likelihood): Survey done, not weight bearing. Market manager is inspecting regularly.

Service: Pannier Market

Current Status:
Medium (10)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 2 - Low

Service Manager: Zoë Lentell

Review Note:

Risk Report Appendix 6

Risk: Phoenix Lane Car Park Increased difficulty in management of the facility while the Premier Inn is being built

Effects (Impact/Severity):

Causes (Likelihood):

Service: Property Services

Current Status:
Medium (10)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 2 -
Low

Service Manager: Andrew Busby

Review Note: Enabling meeting with the contractor 24 July 2017

Risk: Plant Room Plant Room

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status:
Medium (12)

Current Risk Severity: 4 -
High

Current Risk Likelihood: 3 -
Medium

Service Manager: Darren Beer

Review Note:

Risk: Pool Inflatable Pool Activities

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status:
Medium (10)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 2 -
Low

Service Manager: Darren Beer

Review Note:

Risk: Power Take Off (PTO)shaft use That the PTO shaft is not correctly guarded

Effects (Impact/Severity):

Causes (Likelihood):

Service: Grounds Maintenance

Current Status:
Medium (10)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 2 -
Low

Service Manager: Joe Scully

Review Note: Locking mechanism on the universal joint must be engaged successfully before engaging the PTO. Safe systems of work item

Risk Report Appendix 6

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

Effects (Impact/Severity):

Causes (Likelihood):

Service: Communications

Current Status:
Medium (10)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 2 -
Low

Service Manager: None

Review Note:

Risk: Reputational re Council Housing Stock Handling a disaster/mistake properly would prevent any reputation damage.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status:
Medium (10)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 2 -
Low

Service Manager: Claire Fry

Review Note:

Risk: School Swimming Sessions School Swimming Sessions

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status:
Medium (10)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 2 -
Low

Service Manager: Darren Beer

Review Note:

Risk: Stress The physical and mental well-being of Officers could be affected by work environment and pressures caused by work demands and work relationships.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status:
Medium (12)

Current Risk Severity: 3 -
Medium

Current Risk Likelihood: 4 -
High

Service Manager: Claire Fry

Review Note:

Risk Report Appendix 6

Risk: Swimming Lessons Swimming Lessons

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status:
Medium (10)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 2 -
Low

Service Manager: Darren Beer

Review Note:

Risk: Swimming Pool Swimming pool & spectator walkway

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status:
Medium (10)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 2 -
Low

Service Manager: Darren Beer

Review Note:

Risk: Tenants with Complex Needs As our housing stock shrinks, the proportion of such tenants will increase.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status:
Medium (12)

Current Risk Severity: 4 -
High

Current Risk Likelihood: 3 -
Medium

Service Manager: Claire Fry

Review Note:

Risk: Welfare Reform Act - Benefits Failure to implement and communicate the new benefits framework effectively could result in applications not being completed in time

Effects (Impact/Severity): If the changes from current benefits system to Universal Credit go ahead, the system will require greater staff resource

Causes (Likelihood): Will now happen

Service: Revenues - Benefits

Current Status: No
Data

Current Risk Severity: 4 -
High

Current Risk Likelihood: 3 -
Medium

Service Manager: Andrew Jarrett

Review Note:

Risk Report Appendix 6

Risk: Widespread fire in block of flats Fire in our multiple occupancy properties, could result in widespread damage, injury or even death

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status: No Data	Current Risk Severity: 5 - Very High	Current Risk Likelihood: 2 - Low
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Service Manager: Mark Baglow

Review Note: The Corporate H & S Officer has now carried out Fire Risk Assessments in the common rooms at Broad Lane and Westfield Road.

Housing Caretakers inspect communal areas on a 5 week cycle, which includes checking fire exit doors and signage.

Any issues are reported to the relevant Neighbourhood Officer.

Risk: Workplace Welfare The provision of adequate welfare arrangements is important both in terms of complying with the law and keeping the workforce happy. People tend to perform better and be happier at their work if they are working in a safe and healthy environment.

Workplace welfare includes the working environment (such as ventilation, noise, temperature, lighting, humidity, space, workstations and seating), welfare facilities (provision of drinking water, rest room and sanitary facilities including toilets, wash basins and showers), workplace safety and housekeeping (cleanliness and waste disposal).

Effects (Impact/Severity):

Causes (Likelihood):

Service: Legal Services

Current Status: Medium (12)	Current Risk Severity: 4 - High	Current Risk Likelihood: 3 - Medium
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Service Manager: Kathryn Tebbey

Review Note: The risk is not well-related to Legal Services. The risk for Legal Services is from a constant high workload leading to burnout and stress. Some of this will be alleviated through improved systems, but this may prove insufficient mitigation.

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AUDIT COMMITTEE 19 SEPTEMBER 2017

PROGRESS UPDATE ON THE ANNUAL GOVERNANCE STATEMENT ACTION PLAN

Cabinet Member Cllr Clive Eginton, Leader
Responsible Officer Catherine Yandle, Internal Audit Team Leader

Reason for Report: To provide the Committee with an update on progress made against the Annual Governance Statement 2016/17 Action Plan.

RECOMMENDATION(S): The Committee note the progress update

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

Financial Implications: None arising from this report.

Legal Implications: None arising from this report.

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

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

1.0 Introduction

- 1.1 The purpose of this report is to provide Members of the Committee with an update on the progress that has been made against the actions in the Annual Governance Statement Action Plan since the Audit Committee approved it on 17 July 2017.
- 1.2 The Action Plan is attached as Appendix A and progress updates have been noted on the document.
- 1.3 Two actions on the plan are overdue and are being re-scheduled (items 7 & 8) and one (item 14) has to be repeated, however, the remaining five items due were all completed on time. A further progress report will be brought to the next Audit Committee.

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

Circulation of the Report: Management Team and Cllr Clive Eginton

List of Background Papers: None

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Annual Governance Statement 2016-17 Action Plan

Issues Identified	Action to be taken	By whom	When
1. A peer review of the standards regime was carried out which identified various improvements were necessary.	Subject to the amendment of some wording the Code of Conduct for Councillors and Co-opted Members was recommended to Full Council for Approval.	Standards Committee 4 April Full Council 26 April	April 2017 
2. The Peer challenge identified a number of recommendations that the council could consider to drive future performance.	Report to Scrutiny outlining how the council intends to take these recommendations on board.	Chief Executive Report to Scrutiny 14 August	August 2017 
3. It was identified that reporting too many low level risks was distracting attention from more critical risks.	Reporting criteria changed on SPAR to report only risks scoring over 10.	Internal Audit Team Leader First report using the new criteria Environment PDG 16 May	April 2017 
4. More benchmarking information is needed and stronger links between financial and performance monitoring. 5. Service plans demonstrate consideration of 'social value'. Evidence that budgets, plans and objectives are aligned.	Link between finance and performance to be reinforced in Service Business Plans for 2018/19.	Director of Corporate Assets and Resources	September 2017

Annual Governance Statement 2016-17 Action Plan

6. Corporate plan priorities and targets are still not effectively cascaded throughout the Council	Leadership Team have commenced 6 monthly Q & A sessions for all staff and also Chat with the Chief	Leadership Team First 2 sessions were 12 April Next 3 sessions scheduled for w/c 16 October	April 2017 
7. Staff Charter to communicate expected values and behaviours	Issue a staff charter to all staff for their agreement	Director of Business Transformation and Corporate Affairs In progress - revised date	August 2017 October 2017 
8. We don't include ethics awareness in the staff induction training at present	Include ethics training in the new induction process	Director of Business Transformation and Corporate Affairs New Corporate Induction Plan in development	July 2017 
9. The current economic situation is likely to continue to see a reduction in the number of staff employed by the Authority. We have identified that this presents a potential risk to our ability to retain the skills and experience needed. Measures are being implemented to combat this risk.	Aspiring Managers Scheme Skills Audit	Director of Business Transformation and Corporate Affairs 12 month programme launched April 2017	April 2017 

Annual Governance Statement 2016-17 Action Plan

<p>10. Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity is a problem.</p> <p>11. We need processes for dealing with competing demands on the budget from the community</p>	<p>The gap has been recognised and a post has been approved</p>	<p>Communication & Engagement Manager</p>	<p>December 2017</p>
<p>12. We have some matters to address where we assessed Internal Audit as “P” i.e. Partial Compliance.</p>	<p>Address areas with “P” assessment via Quality Assurance Improvement Plan (QAIP)</p>	<p>DAP Audit Manager</p>	<p>September 2018</p>
<p>13. A gap analysis against the GDPR has identified areas which need improvement</p>	<p>Ensure we have all necessary data sharing agreements in place</p> <p>Ensure we have done information audits on our “top 10”</p> <p>Roll out training to all staff and Members</p>	<p>Data Protection Officer</p>	<p>May 2018</p>
<p>14. We need to arrange Public Sector Equality duty training</p>	<p>Programme of awareness and training</p>	<p>Internal Audit Team Leader</p> <p>Members 16 May however very poorly attended so being re-run before Full Council</p> <p>SOF 28 June</p>	<p>June 2017</p> <p>October 2017</p> <p>☹️</p>

Annual Governance Statement 2016-17 Action Plan

AUDIT COMMITTEE 19 SEPTEMBER 2017

INTERNAL AUDIT PROGRESS REPORT

Cabinet Member Cllr Peter Hare-Scott
Responsible Officer Audit Manager, David Curnow – Devon Audit Partnership

Reason for Report: To update the Committee on the work performed by Internal Audit for the 2017/18 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.

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

1.0 Introduction

1.1 The four-year strategic audit plan for 2017/18 to 2020/21 and annual work plan for 2017/18 were presented to the Audit Committee at its meeting on 21 March 2017, where they were approved.

1.2 The purpose of this report is to provide the Committee with a progress report on performance against the 2017/18 Internal Audit work plan for the period from 1 April to 31 August 2017.

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 (17/18) and Car Park Income (16/17) are carried out biennially for the same reason.

2.2.2 The Core audits are primarily scheduled to start in the autumn though we have completed work for the main accounts on:

- deeds verification and
- fixed Assets (see below for opinions).

2.3 Systems Audits

2.3.1 Systems Audits have been completed for District Offices, Electronic Payments and Online Forms, Contracts Register, Planning Enforcement, Housing Health and Safety, Public Health - Environment, , Leisure Centre.

2.3.2 The opinions for the first 6 of these are included in full in section 3 below and the remainder will form part of the next progress report.

2.3.3 Work is almost complete on Housing Health & Safety Management Arrangements, Environmental Health, Lords Meadow Leisure Centre, Customer Care and Safeguarding.

2.4 Other Work

2.4.1 The reporting on performance and risk using the Spar system is now provided by the Performance and Risk Manager though support has been provided in the earlier part of the year for this to PDGs and Committees.

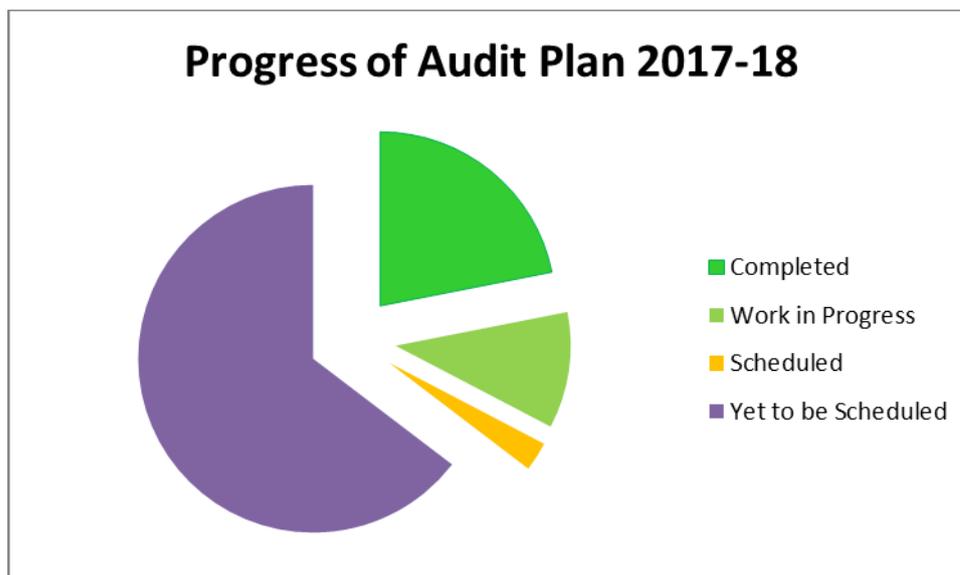
2.4.2 Tender documents have been verified as usual.

2.4.3 There have been no investigations to date this year though the Audit Team has sat on 2 job evaluation panels so far this year.

2.4.4 The Audit Team Leader attends the Corporate Health & Safety Committee as Risk Advisor. The 2 Auditors attend the ICT User group.

2.5 Performance Indicators

2.5.1 As at the end of August 2017 the Internal Audit PIs are as follows:



The work completed is primarily systems work where the majority of the core work is scheduled for the second half of the year.

2.5.2 Our planned audit of Housing Options – Homelessness has been deferred until the Autumn at the client request to fit better with proposed changes with legislation. We have brought forwards planned work on travel and subsistence and will look to redress the balance of work early in October.

2.5.3 Three post-audit surveys have been sent out to clients; three have been returned scored as 4-5 for all questions, meaning they were satisfied or very satisfied with the process, which is excellent. One was returned with a score of 3 for the timing of the audit as 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 Main Accounting – Deeds Verification

3.1.1 It is the overall opinion of the auditor remains that the Main Accounting Deeds process is well controlled. No recommendations were made.

3.2 Main Accounting – Capital Fixed Assets Verification

3.2.1 We reviewed the capital section of the Main Accounting System audit to support the external annual accounts audit. The scope, in line with previous years' audits, was agreed with the External Auditors.

3.2.2 Testing showed that overall the system is adequately controlled, but there were areas of the process that we feel could be improved which would offer further assurance on procedures are as follows:

- document assumptions and data management processes within the fixed asset register;
- include a formalised reconciliation process to ensure completeness of database records and of processing;
- consider reviewing the FAR earlier in the year to facilitate a more timely assurance and closure process.

3.3 District Offices

3.3.1 The District Officer Team has recently completed a service review; this took place slightly later than planned due to the depot move but a review and overhaul of all policies has now been done. This has resulted in changes in working patterns, geographical areas and prioritisation of duties for the DOs. There are good procedure notes and flowcharts for each area of responsibility.

3.3.2 Information and guidance is available on the Council website for customers in respect of reporting issues covered by the DOs such as dog fouling, abandoned vehicles, fly tipping etc. Online payments for parking, dog fouling and littering fines can also be made via the website.

3.3.3 The current systems used by the service are the SPUR system for car parking and Penalty Charge Notices (PCN's) and the Customer Relations Management system (CRM) for all other services such as fly tipping, abandoned vehicles, stray/lost dogs, dangerous dogs and litter offences. The SPUR system is adequate in terms of being able to log and record all the information necessary for parking contraventions and some automation of the workflow.

3.3.4 However, tests identified that in some cases the automated reminder where the reduced fee is increased to the full fee was inaccurate, as it used working days rather than calendar days; this meant that some people were given longer to pay their fines at the reduced rate than publicised.

3.3.5 There is currently no reconciliation carried out between the SPUR system and the finance system (eFin), although all fines that are paid can be identified and confirmed on SPUR. Monitoring of Fixed Penalty Notice (FPN) payments seems to be problematic due to the lack of a unique reference number being transferred to eFin; however there is a report that is available on the cash receipting system that can help with this.

3.3.6 Another limitation of the current process is that DOs have to visit the office each morning to pick up their job sheets for the day which impacts on their time and is not particularly efficient; this has been identified as part of the recent review.

3.3.7 A new computer system (Mouchel) has been procured in partnership with South Hams, West Devon and Torbay Councils, to manage the PCN/FPN processes. The Mouchel System will send jobs directly to the DOs via a handheld PDA. The Manager will be able

to see when jobs have been completed, send updates and new jobs and be able to reallocate work where necessary, increasing efficiency of the service.

3.3.8 The new system has functionality that will enable the service to address performance monitoring and reconciliation processes more effectively.

3.3.9 It is the overall opinion of the auditor that the DOs system is adequately controlled.

Summary of Recommendations		
High	Medium	Low
0	7	1

3.4 Electronic Payments and Online Processing

3.4.1 Customers of Mid Devon District Council are able to make payments for most services, sales invoices and fines using the Council's 'Do it online' facility. The online forms tested during the audit were found to be easy to use, and where requests to services were made notification of receipt of the requests were sent via email.

3.4.2 The electronic payments are reconciled each month by one of the Accountants in the Finance department as part of the bank reconciliation assuring completeness of income for this method of payment.

3.4.3 The use of Social media platforms such as Facebook, Twitter and Hoot Suite have enhanced the Council's communication channels, and this is being used to good effect within departments such as Housing, Markets and Communications. The Council's Learning and Development section has provided training for 61 employees to date, using an external facilitator, on 'Making the most of Social Media for Local Government'; the course material included topics such as listening, sharing, content creation and digital reputation.

3.4.4 It is recognised that Social Media offers many opportunities to further the Council's 'channel shift' agenda, but with this also comes risks to reputation if this is not managed properly. The training already delivered will mitigate some of the risks by raising awareness and highlighting best practise procedures.

3.4.5 To compliment the training, there also needs to be robust Social Media Policies in place. Currently the Council has 2 policies which cover this area; The ICT 'Social Media Policy and Guidelines' and the 'Media and Social Media Protocol' which is a Communications policy. They have been designed to work alongside each other, but both are in need of being updated.

3.4.6 It is the overall opinion of the auditor that the system of electronic payments, online forms and social media is adequately controlled.

Summary of Recommendations		
High	Medium	Low
1	3	0

3.5 Contracts Register

3.5.1 The previous audit of this area was completed in 2015, and the recommendations for updating the Financial Regulations for contracts have been completed; there is now an updated version of the regulations available on the MDDC website, which were approved in October 2016.

3.5.1 Under the Public Contracts Regulations 2015 (PCR 2015) a Pre-qualification Questionnaire stage is no longer permitted on below threshold spend, but similar checks are still carried out as part of an open tender process to ensure that the supplier is financially sound and has the appropriate insurance qualifications etc. MDDC has adopted a standardised Supplier Questionnaire issued by the Crown Commercial Service (CCS) within our ITT document to ensure that there is still a robust system in place.

- 3.5.2 Our review found that there are a number of weaknesses in the systems of internal check and control that need to be addressed, these being:
- 3.5.3 At the time of the audit, it was found that the contracts register was not up to date (missing 6 UK contracts £505k) and is not being published on the website in line with the LGA Transparency Code.
- 3.5.4 Evidence gathered during the audit showed that some suppliers spend exceeded the threshold where a contract or framework should have been in place (8 UK suppliers £758k and 3 EU market suppliers £963k). This needs to be addressed to ensure that Managers are complying with the Financial Regulations for Contract Procedures, and are achieving the objectives of the regulations, which are value for money and to reduce the risk of accusations of favouritism, unfair contract terms and legal challenge.
- 3.5.5 One of the recommendations from the previous audit was to implement an online course using the Council's Insight system, to be completed as part of the induction process. This has been started, but is incomplete and is currently in the test environment. This should be revisited and implemented as soon as possible so that officers are aware of their responsibilities and comply with the Councils Financial regulations.

The above points were outlined in the 2014/15 contracts audit and will require engagement from service managers and procurement to effectively manage the current findings.

- 3.5.6 It is the overall opinion of the Auditor that the Contracts and Contract Register system is poorly controlled.

Summary of Recommendations		
High	Medium	Low
0	8	0

3.6 Planning Enforcement

- 3.6.1 Planning enforcement is a statutory function of local government although the power to take formal action is discretionary. The Council as Local Planning Authority has responsibility for the investigation of reported breaches of planning control.
- 3.6.2 The Enforcement Officers have recently been merged into one team and are managed by one of the Area Team Leaders. As part of this new arrangement a Local Enforcement Plan (LEP) has been developed which sets out the requirements of the team and timescales to provide an efficient service. The plan will be available for members of the public to view so that they will know the process and at which points they will have contact with the investigating officer.
- 3.6.3 Some closed and open cases were looked at to identify if there has been any gaps in investigation and whether these will be addressed with the adoption of the LEP. There were 2 main areas of concern, these being:
- old cases that are still open on Uniform and don't seem to have been addressed and
 - evidence is not all being saved to the Uniform record.
- 3.6.4 It is considered that the first point will be addressed by the adoption and embedding of the LEP as there are definitive timescales for both site visit and resolve of a case. The point about saving evidence to records is a training issue and will need to be addressed if the team wish to have a complete system and to allow other team members to pick up cases/investigations. Evidence is essential in supporting the defence of argument should the investigation lead to legal proceedings.
- 3.6.5 Over the last 6 months, the Enforcement team has dedicated a significant amount of time to closing down historic and duplicate cases on the Uniform system. Several changes have already been made to the enforcement module in Uniform to allow team

members to better record notes and evidence on cases against the enforcement record.

- 3.6.6 It is our opinion, with the above proviso, that the LEP will meet the requirements for delivering an effective service.
- 3.6.7 It is essential that the Uniform system is configured to provide relative performance reports/information as a control measure to determine whether the target timescales set out in the plan are being achieved. In addition to monitoring whether initial site visits are carried out in a timely manner, the Uniform system should also be developed to monitor the time taken to close enforcement cases, both historic cases and cases that are newly registered. This will require further development of the relevant IT systems.
- 3.6.8 Currently, the Enforcement Officers have delegated powers to issue Breach of Condition, Temporary Stop and Planning Contravention Notices. In order to be able to issue Enforcement Notices the cases go to Planning Committee for authorisation of the notice before it is passed to Legal for processing. This process adds a few weeks to the time taken for the Enforcement Notice to be issued. If delegated powers were passed down to the Head of Planning it would make this process much more efficient. It is understood that Planning Committee are considering delegated powers.
- 3.6.9 Since April 2014, 3 cases of non-compliance with the Enforcement Notices have gone to court. 1 case was postponed by the court, before a new date was set the owner sold the land and moved away, the new purchasers complied with the notice and so the case was discontinued. The other 2 cases were won by Mid Devon. This was a good success and shows good follow through of processes. It is difficult, given the small number brought to legal proceedings and the historic number of cases not closed, to give assurance on the effectiveness of enforcement process as a whole. However, with the implementation of the LEP and delegated powers sought, cases should be investigated and closed more promptly, meaning that notices should be issued in a timelier manner. There needs to be adequate monitoring of cases to ensure that wherever there is a breach they are followed through and either compliance gained or prosecution pursued.
- 3.6.10 It is the overall opinion of the auditor and the Planning Service that historically the enforcement function has been poorly controlled hence the implementation of the LEP. There has been significant improvement recently in working more consistently and in closing cases more promptly within the new team. Retention of documentation on each individual case is still inconsistent. With the adoption of the Local Enforcement Plan this will provide a formal process for the team and alongside recommended training will ensure consistency and follow through of cases.

Summary of Recommendations		
High	Medium	Low
0	7	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.
- 4.2 High Priority deadlines may only be extended with the Audit Committee's agreement. Only 4 high priority recommendations have been made so far this year, 3 of which are not yet due.
- 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: David Curnow, Deputy Head of Partnership, 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			13		1	2			16	0	1
Car Park Income	2016				2	3	0				2	3	0
Cemeteries & Bereavement	2016				5	1					5	1	0
Council Tax/NNDR	2016				3		5				3	0	5
Creditors	2016					2					0	2	0
District Offices	2017					2	6	1			1	2	6
Electronic Payments/ Online Forms	2017			1		3					0	3	1
Emergency Planning	2015				1		1	2		1	3	0	2
Housing Rents	2016						3				0	0	3
ICT Core	2016				5		1			2	5	0	3
Income & Cash Collection	2016					1	4				0	1	4
Insurance	2015						1				0	0	1
Legal Services	2015				2		2				2	0	2
Leisure CVSC	2015				5		1				5	0	1
Leisure EVLC	2016				6		1				6	0	1
Licensing	2016	1			5	1					6	1	0
Main Accounting - Capital	2017							2			0	2	0
Procurement - Contract register	2017				5		2						
Recruitment & Selection & JE	2015				6		1	4		1	10	0	2
Sickness & Other Time Off	2016				5	2	1				5	2	1
Standby	2016				2		1				2	0	1
Trade Waste	2015				8	2					8	2	0
Treasury	2016							1	1		0	1	1
Vehicles & Fuel	2015	5			4	2	1				9	2	1
		7	0	1	77	19	32	9	3	5	88	22	36

C = Completed 60%
N= Not yet due 15%
O= Overdue 25%

CORE
SYSTEM

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Audit Committee Progress Report and Update Mid Devon District Council Year ended 31 March 2017

19 September 2017

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Steve Johnson

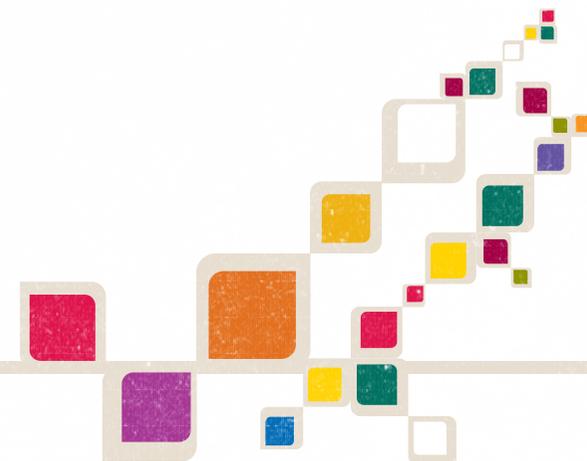
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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to 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.



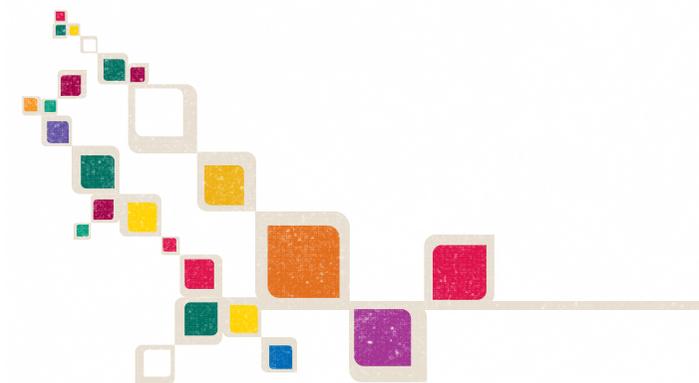
Introduction

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

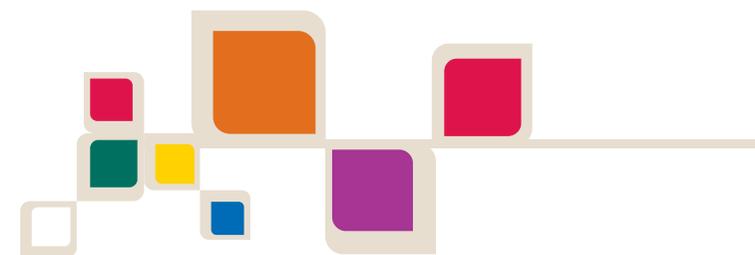
Members of the Audit and Governance Committee can find further useful material on our website www.grant-thornton.co.uk, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications and articles, including the reports mentioned in this update along with other items:

- Income generation is an increasingly essential part of providing sustainable local services (March 2017); <http://www.grantthornton.co.uk/en/insights/the-income-generation-report-local-leaders-are-ready-to-be-more-commercial/>
- CFO Insights – reviewing council's 2015/16 spend (December 2016); <http://www.grantthornton.co.uk/en/insights/cfo-insights-reviewing-councils-201516-spend/>
- Fraud risk, 'adequate procedures', and local authorities (December 2016); <http://www.grantthornton.co.uk/en/insights/fraud-risk-adequate-procedures-and-local-authorities/>
- Brexit and local government; (April 2017) <http://www.grantthornton.co.uk/en/insights/a-global-britain-needs-more-local-government-not-less/> and (December 2016) <http://www.grantthornton.co.uk/en/insights/brexit-local-government-transitioning-successfully/>

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

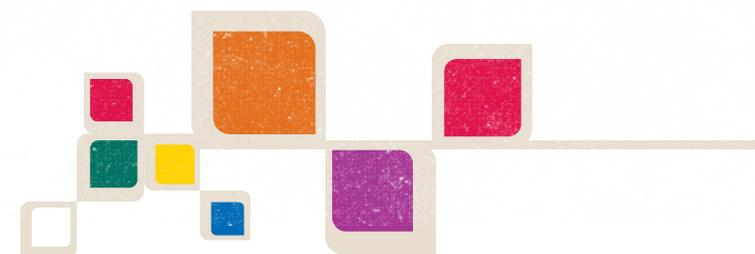


Progress at August 2017



2016/17 work	Planned Date	Complete?	Comments
<p>Fee Letter</p> <p>We are required to issue a 'Planned fee letter for 2016/17' by the end of April 2016</p>	April 2016	Yes	The 2016/17 fee letter was issued on 18 April 2016 and considered by the 31 May 2016 committee.
<p>Accounts Audit Plan</p> <p>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 2016-17 financial statements.</p>	21 March 2017	Yes	The Audit plan was presented at the March Audit Committee.
<p>Interim accounts audit</p> <p>Our interim fieldwork visit plan included:</p> <ul style="list-style-type: none"> • updated review of the Council's control environment • updated understanding of financial systems • review of Internal Audit reports on core financial systems • early work on emerging accounting issues • early substantive testing • Value for Money conclusion risk assessment. 	February 2017	Yes	<p>Our interim audit was completed in the three weeks ending 3rd March 2017.</p> <p>We have undertaken all the required planning and preparation, together with such early testing we deemed efficient.</p> <p>The work included early discussions over the accounting treatment of the Council's planned property transactions, in particular the Premier Inn acquisition of land.</p>
<p>Final accounts audit</p> <p>Including:</p> <ul style="list-style-type: none"> • audit of the 2016/17 financial statements • proposed opinion on the Council's accounts • proposed Value for Money conclusion • review of the Council's disclosures in the consolidated accounts against the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 	July 2017	Yes	<p>The financial Statements were approved at the Audit committee on 17th July and the opinion signed and given on that date.</p> <p>The opinion was unqualified.</p>

Progress at August 2017



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2016/17 work	Planned Date	Complete?	Comments
<p>Value for Money (VfM) conclusion</p> <p>The scope of our work is unchanged to 2015/16 and is set out in the final guidance issued by the National Audit Office in November 2015. The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".</p> <p>The guidance confirmed the overall criterion as; "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".</p> <p>The three sub criteria for assessment to be able to give a conclusion overall are:</p> <ul style="list-style-type: none"> • Informed decision making • Sustainable resource deployment • Working with partners and other third parties 	January to July 2017	Yes	<p>Our Audit Findings report including our conclusion on the Council's Value for Money arrangements was presented at the Audit committee on the 17th July and the opinion signed and given on that date.</p> <p>The Value for Money conclusion was unqualified.</p>
<p>Grant claims and certification.</p> <p>We anticipate that we will be required to certify the Council's 2015/16 Housing benefit and council tax subsidy claim.</p>	June 2017 to November 2017.	Not yet due	The work on the 2016/17 claim will be completed by 30 November 2017.
<p>Other areas of work</p> <p>Audit of:</p> <ul style="list-style-type: none"> • Pooling of Housing capital receipts claim • Housing & Communities agency claim 	October 2017? September 2017	No	Not yet started
Meetings with Members, Officers and others	On-going	No	Regular meetings arranged with Officers.
Annual Audit letter	September 2017	Yes	Presented on the September Audit Committee agenda

Technical Matters

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Accounting and audit issues

Code of Practice on Local Authority Accounting in the United Kingdom 2017/18

CIPFA/LASAAC has issued the Local Authority Accounting Code for 2017/18. The main changes to the Code include:

- amendments to section 2.2 (Business Improvement District Schemes (England, Wales and Scotland), Business Rate Supplements (England), and Community Infrastructure Levy (England and Wales)) for the Community Infrastructure Levy to clarify the treatment of revenue costs and any charges received before the commencement date
- amendment to section 3.1 (Narrative Reporting) to introduce key reporting principles for the Narrative Report
- updates to section 3.4 (Presentation of Financial Statements) to clarify the reporting requirements for accounting policies and going concern reporting
- changes to section 3.5 (Housing Revenue Account) to reflect the Housing Revenue Account (Accounting Practices) Directions 2016 disclosure requirements for English authorities
- following the amendments in the Update to the 2016/17 Code, changes to sections 4.2 (Lease and Lease Type Arrangements), 4.3 (Service Concession Arrangements: Local Authority as Grantor), 7.4 (Financial Instruments – Disclosure and Presentation Requirements)
- amendments to section 6.5 (Accounting and Reporting by Pension Funds) to require a new disclosure of investment management transaction costs and clarification on the approach to investment concentration disclosure.

Sector issues and developments

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National Audit Office

Protecting information across government

“Protecting information while re-designing public services and introducing the technology necessary to support them is an increasingly complex challenge. To achieve this, the Cabinet Office, departments and the wider public sector need a new approach, in which the centre of government provides clear principles and guidance and departments increase their capacity to make informed decisions about the risks involved.”

Amyas Morse, head of the National Audit Office, 14 September 2016

<https://www.nao.org.uk/report/protecting-information-across-government/>

Planning for 100% local retention of business rates

“The Department faces a significant challenge in implementing 100% local retention of business rates by 2019-20. It has benefited from the experience of delivering the 50% local retention scheme and is using this experience effectively. The key question is whether there is enough money in the system to let services be delivered on the right scale and for self-sufficiency to be seen to succeed.”

Amyas Morse, head of the National Audit Office, 29 March 2017

<https://www.nao.org.uk/report/planning-for-100-local-retention-of-business-rates/>

Health and social care integration

“Integrating the health and social care sectors is a significant challenge in normal times, let alone times when both sectors are under such severe pressure. So far, benefits have fallen far short of plans, despite much effort. It will be important to learn from the over-optimism of such plans when implementing the much larger NHS sustainability and transformation plans. The Departments do not yet have the evidence to show that they can deliver their commitment to integrated services by 2020, at the same time as meeting existing pressures on the health and social care systems.”

Amyas Morse, head of the National Audit Office, 8 February 2017

<https://www.nao.org.uk/report/health-and-social-care-integration>

NAO Publications

Challenge question:

- Have you read the NAO reports?

Grant Thornton

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Income generation

Local government is under immense financial pressure to do more with less. The 2015/16 spending review is forecast to result in a £13 billion funding hole by 2020 that requires. With further funding deficits still looming, income generation is increasingly an essential part of the solution to providing sustainable local services, alongside managing demand reduction and cost efficiency of service delivery. This report shares the insights into how and why local authorities are reviewing and developing their approach to income generation.

Our new research on income generation which includes our CFO Insights tool suggests that:

- ❖ councils are increasingly using income generation to diversify their funding base, and are commercialising in a variety of ways. This ranges from fees and charges (household garden waste, car parking, private use of public spaces), asset management (utilities, personnel, advertising, wifi concession license) and company spin-offs (housing, energy, local challenger banks), through to treasury investments (real estate development, solar farms, equity investment).
- ❖ the ideal scenario to commercialise is investing to earn with a financial and social return. Councils are now striving to generate income in way which achieves multiple strategic outcomes for the same spend; examining options to balance budgets while simultaneously boosting growth, supporting vulnerable communities and protecting the environment.

- ❖ stronger commercialisation offers real potential for councils to meet revenue and strategic challenges for 2020 onwards. Whilst there are examples of good practice and innovation, this opportunity is not being fully exploited across the sector due to an absence of a holistic and integrated approach to corporate strategy development (a common vision for success, understanding current performance, selecting appropriate new opportunities, the capacity and culture to deliver change).

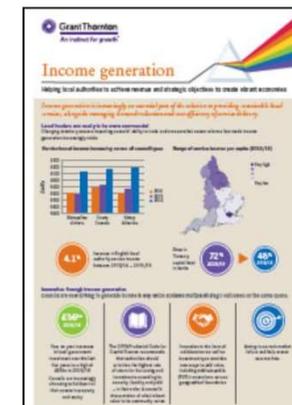
Our report helps local authorities maximise their ability to generate income by providing:

- Case study examples
- Local authority spend analysis
- Examples of innovative financial mechanism
- Critical success factors to consider

Grant Thornton publications

Challenge question:

- Have you read our income generation report?
- Is your council actively exploring options to generate income?



Our Income generation report was published on Thursday 2 March, hard copies are available from your team and via link:

<http://www.grantthornton.co.uk/en/insights/the-income-generation-report-local-leaders-are-ready-to-be-more-commercial/>

CFO Insights – driving performance improvement

CFO insights is an online analysis tool that gives those aspiring to improve the financial position of their local authority instant access to insight on the financial performance, socio-economy context and service outcomes of every council in England, Scotland and Wales.

The tool provides a three-dimensional lens through which to understand council income and spend by category, the outcomes for that spend and the socio-economic context within which a council operates. This enables comparison against others, not only nationally, but in the context of their geographical and statistical neighbours. CFO Insights is an invaluable tool providing focused insight to develop, and the evidence to support, financial decisions.

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We are happy to organise a demonstration of the tool if you want to know more.

A Manifesto for a Vibrant Economy

Developing infrastructure to enable local growth

Cities and shire areas need the powers and frameworks to collaborate on strategic issues and be able to raise finance to invest in infrastructure priorities. Devolution needs to continue in England across all places, with governance models not being a “one-size-fits all”. Priorities include broadband, airport capacity in the North and east-west transport links.

Addressing the housing shortage, particularly in London and the Southeast, is a vital part of this. There simply is not enough available land on which to build, and green belt legislation, though designed to allow people living in cities space to breathe, has become restrictive and is in need of modernisation. Without further provision to free up more land to build on, the young people that we need to protect the future of our economy will not be able to afford housing, and council spending on housing the homeless will continue to rise.

Business rates are also ripe for review – a property-based tax is no longer an accurate basis for taxing the activity and value of local business, in particular as this source of funding becomes increasingly important to the provision of local authority services with the phasing out of the Government’s block grant.

Demographic and funding pressures mean that the NHS no longer remains sustainable, and the integration of health and social care – recognised as critical by all key decision makers – remains more aspiration than reality. .

There is an opportunity for communities to take a more holistic approach to health, for example creating healthier spaces and workplaces and tackling air quality, and to use technology to provide more accessible, cheaper diagnosis and treatment for many routine issues

Finding a better way to measure the vibrancy of places

When applied to a place we can see that traditional indicators of prosperity such as GVA, do not tell the full story. To address this we have developed a [Vibrant Economy Index](#) to measure the current and future vibrancy of places. The Index uses the geography of local authority areas and identifies six broad objectives for society: prosperity, dynamism and opportunity, inclusion and equality, health wellbeing and happiness, resilience and sustainability, and community trust and belonging.

The city of Manchester, for example, is associated with dynamic economic success. While our Index confirms this, it also identifies that the Greater Manchester area overall has exceptionally poor health outcomes, generations of low education attainment and deep-rooted joblessness. These factors threaten future prosperity, as success depends on people’s productive participation in the wider local economy, rather than in concentrated pockets.

Every place has its own challenges and opportunities. Understanding what these are, and the dynamic between them, will help unlock everybody’s ability to thrive. Over the coming months we will continue to develop the Vibrant Economy Index through discussions with businesses, citizens and government at a national and local level.

Guy Clifton – Head of Local Government Advisory

Grant Thornton publications

Challenge question:

- Have you read our manifesto?



CREATING A MANIFESTO
FOR A VIBRANT ECONOMY
Draft recommendations
April 2017



<http://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/documents/creating-manifesto-vibrant-economy-draft-recommendations.pdf>

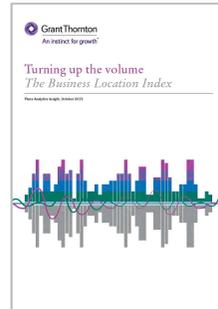
Publications

Providing key insight and examples of best practice to local government, police, fire and rescue services.



Innovation in public financial management

Our research on international public financial management shows it is evolving, from having a narrow focus on budgeting, towards a wider mandate as a key driver of policy and strategy across all levels of government, public services, state enterprises and public-private partnerships.



Turning up the volume

Our Business Location Index identifies the most desirable and affordable areas for investment in England, by looking at a combination of economic performance, people & skills, environment & infrastructure and cost.

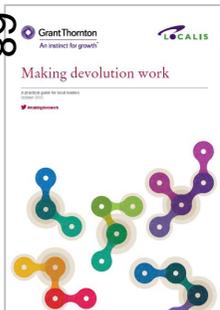
Our aim is to give local authorities and LEPs the tool to better understand and market their strength and assets to increase inward investment and inform their devolution discussions.



Reforging local government

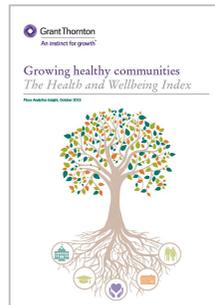
The autumn statement identified how councils will need better financial management and further efficiency to achieve the projected 29% savings. This presents a serious challenge to manage councils that have already become lean.

Our report looks at the financial challenge facing councils, the new governance agenda that will challenge traditional arrangements and expectations, and the way forward for the public sector through devolution, innovation, collaboration and cultural change.



Making devolution work

This report gets under the bonnet of the devolutionary conversations taking place between Whitehall and local government across England. It offers a practical guide to local leaders by outlining the benefits of devolution, the areas of priority to central government and the key questions that must be addressed in order to produce a successful devolution bid.



Growing healthy communities

It has long been recognised that the health of a population is strongly linked to the circumstances in which people live.

Our health and wellbeing index looks at the health determinants and outcomes of an area, highlights the scale and nature of inequality across the country and reiterates the need for a local, place-based approach to tackling health outcomes. It also identifies the wider economic determinants on an area's circumstances, emphasising the need for local collaboration between public sector bodies.



Spreading their wings

Our first report in a series looking at alternative delivery models in local government looks at local authority trading companies (LATCs).

The need to improve performance against the continuing financial pressure in the public sector has led to an increase in innovative solutions to the challenges, such as alternative delivery models.

Our report provides a guide on building a successful LATC, identifying the areas that must be considered at each stage of the process, as well as offering a number of examples of best practice.

Hardcopies of these reports are available from your audit team



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The Annual Audit Letter for Mid Devon District Council

Year ended 31 March 2017

19 September 2017

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Geraldine Daly

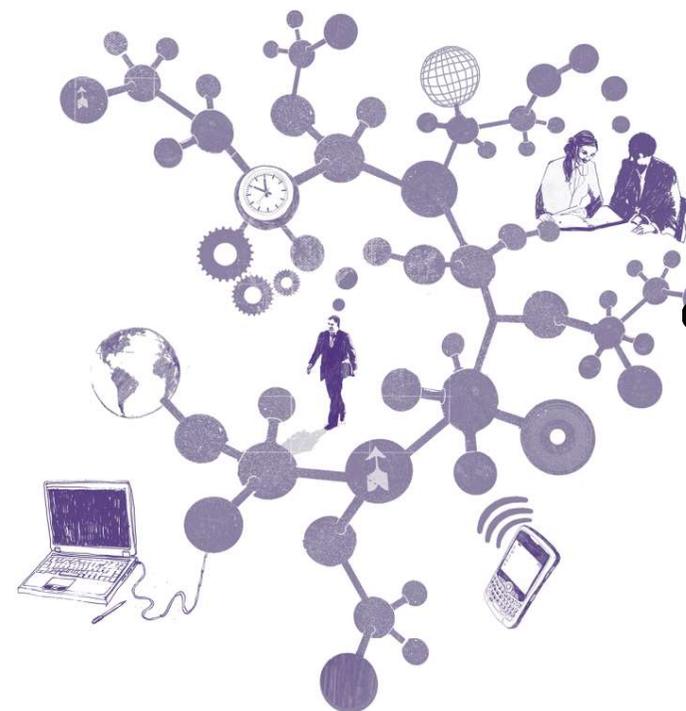
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Agenda Item 9.

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Executive summary

Purpose of this letter

Our Annual Audit Letter (Letter) summarises the key findings arising from the work we have carried out at Mid Devon District Council for the year ended 31 March 2017.

This Letter provides a commentary on the results of our work to the Council and its external stakeholders, and highlights issues we wish to draw to the attention of the public. In preparing this letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice (the Code) and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'.

We reported the detailed findings from our audit work to the Council's Audit Committee (as those charged with governance) in our Audit Findings Report on 17 July 2017.

Our responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council's financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council's financial statements, we comply with International Standards on Auditing (UK and Ireland) (ISAs) and other guidance issued by the NAO.

Our work

Financial statements opinion

We gave an unqualified opinion on the Council's financial statements on 17 July 2017.

Value for money conclusion

We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources during the year ended 31 March 2017. We reflected this in our audit opinion on 17 July 2017.

Certificate

We certified that we had completed the audit of the accounts of Mid Devon District Council in accordance with the requirements of the Code on 8 September 2017.

Whole of Government accounts

We submitted our assurance statement on the Whole of Government Accounts on 14 August 2017.

Certification of grants

We also carry out work to certify the Council's Housing Benefit subsidy claim on behalf of the Department for Work and Pensions. Our work on this claim is not yet complete and will be finalised by 30 November 2017. We will report the results of this work to the Audit Committee in our Annual Certification Letter.

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff.

Grant Thornton UK LLP
September 2017

Audit of the accounts

Our audit approach

Materiality

In our audit of the Council's accounts, we applied the concept of materiality to determine the nature, timing and extent of our work, and to evaluate the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for our audit of the Council's accounts to be £935k, which is 2% of the Council's gross revenue expenditure. We used this benchmark, as in our view, users of the Council's accounts are most interested in how it has spent the income it has raised from taxation and grants during the year.

We also set a lower level of specific materiality for cash, auditor's remuneration and senior officer remuneration.

We set a lower threshold of £46,750, above which we reported errors to the Audit/Other Committee in our Audit Findings Report.

The scope of our audit

Our audit involves obtaining enough evidence about the amounts and disclosures in the financial statements to give reasonable assurance they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the Council's accounting policies are appropriate, have been consistently applied and adequately disclosed;
- significant accounting estimates made by the Director of Finance, Assets and Resources are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the narrative report and annual governance statement to check they are consistent with our understanding of the Council and with the accounts included in the Statement of Accounts on which we gave our opinion.

We carried out our audit in line with ISAs (UK and Ireland) and the NAO Code of Audit Practice. We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the Council's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the accounts

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of property, plant and equipment</p> <p>The Council revalues its assets annually, at the 31st March. The Code requires that the Council ensures that the carrying value at the balance sheet date is not materially different from the current value. This represents a significant estimate by management in the financial statements.</p>	<ul style="list-style-type: none"> • Reviewed management's processes and assumptions for the calculation of the estimate. • Reviewed the competence, expertise and objectivity of any management experts used. • Reviewed the instructions issued to valuation experts and the scope of their work • Discussed with the Council's valuer about the basis on which the valuation was carried out, challenging the key assumptions. • Reviewed and challenge of the information used by the valuer to ensure it was robust and consistent with our understanding. • Tested the revaluations made during the year to ensure they were input correctly into the Council's asset register • Evaluated the assumptions made by management for those assets not revalued during the year and how management satisfied themselves that these were not materially different to current value. 	<p>The Council's Council Dwellings increased in value by £17,796k in 2016/17. This was primarily due to the change in discount adjustment in the DCLG guidance, from 31% to 35%. This discount when applied reduces the market value to 35% (31%) of the open market valuation, thus contributing to an increase in the reported value of Council dwellings.</p> <p>We further identified that the Asset Held for Sale at the balance sheet date had been incorrectly classified as non current assets rather than as a current asset. This has subsequently been adjusted. See page 18 of this report.</p> <p>Our work did not identify any issues in respect of the valuation of property, plant and equipment.</p>

Audit of the accounts

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of pension fund net liability</p> <p>The Council's pension fund net liability, as reflected in its balance sheet, represents a significant estimate in the financial statements.</p>	<ul style="list-style-type: none"> Identified the controls put in place by management to ensure that the pension fund net liability is not materially misstated and assessing whether those controls were implemented as expected and whether they were sufficient to mitigate the risk of material misstatement. Reviewed the competence, expertise and objectivity of the actuary who carried out the Council's pension fund valuation. Gained an understanding of the basis on which the IAS 19 valuation was carried out, undertaking procedures to confirm the reasonableness of the actuarial assumptions made. Reviewed the consistency of the pension fund net liability disclosures in notes to the financial statements with the actuarial report from your actuary. 	<p>The Pension Liability disclosed in the accounts increased by £16,502k, primarily as a result of the reduction in the discount rate applied by your actuary. We reviewed all the assumptions applied and are assured this is in line with general application across Local Government pension schemes.</p> <p>We use an audit expert – PWC- to review the methodology and assumptions made by the actuaries across the country. PWC's review highlighted that some of the estimates used by your actuary - Barnett Waddingham were out of line with other actuaries, specifically the discount rate and the future inflation rate, which were higher than the average.</p> <p>We therefore reviewed the assumptions made and performed a sensitivity analysis of the rates applied. This work concluded that, whilst the expectation is that the liability is higher than other actuaries might forecast, (a point estimate range of between £300k - £444k) it is, nevertheless a reasonable estimation of the potential liability.</p>

Audit of the accounts

Audit opinion

We gave an unqualified opinion on the Council's accounts on 17 July 2017, in advance of the 30 September 2017 national deadline.

The Council made the accounts available for audit in line with the agreed timetable, and provided a good set of supporting working papers. The finance team responded promptly and efficiently to our queries during the audit.

Issues arising from the audit of the accounts

We reported the key issues from our audit of the accounts of the Council to the Council's Audit Committee on 17 July 2017.

In addition to the key audit risks reported above, there were no issues we wish to bring to your attention

Annual Governance Statement and Narrative Report

We are required to review the Council's Annual Governance Statement and Narrative Report. It published them on its website with the draft accounts in line with the national deadlines.

Both documents were prepared in line with the relevant guidance and were consistent with the supporting evidence provided by the Council and with our knowledge of the Council.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice (the Code), following the guidance issued by the NAO in November 2016 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the key risks where we concentrated our work.

The key risks we identified and the work we performed are set out in table 2 overleaf.

As part of our Audit Findings report agreed with the Council on 17 July 2017, we agreed recommendations to address our findings as follows.

- **Savings plans:** - Forward planning needs to set out the annual savings programme in a manner that allows the achieved savings to be monitored against plans. Management need to ensure that they monitor this through regular reporting to the Council and Members.

Overall VfM conclusion

We are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2017.

Value for Money

Table 2: Value for money risks

Risk identified	Work carried out	Findings and conclusions
<p>Financial outlook The Council was forecasting an overspend of £64k for 2016/17; a budget for 2016/17 that is balanced using £89k of New Homes Bonus, and whose future is uncertain as the preliminary grant settlement shows the elimination of Revenue Support Grant by 2019/20. The MTFP shows a deficit of £419k in 17/18 which increases annually, peaking at £975k in 2020/21. Without any action the General Fund reserve of £2.2m would become overdrawn by £1.25m over the life of the plan.</p>	<p>We reviewed the Council's arrangements for putting together and agreeing its medium term financial plan, including identification of savings plans; and its arrangements for monitoring and managing delivery of its budget and savings plans for 2016/17, 2017/18 and beyond.</p> <p>In addition we considered the 2016/17 accounts and financial out-turn for the year. These showed an underspend of £30k, and allowed for transfers to usable reserves of £5,847k. This included £927k increase in new homes bonus and £2,716 increase in HRA earmarked reserves.</p>	<p>At 31 March 2017 the Council finds itself in a strong financial position. It has achieved its savings plans and cut costs, without any appreciable reduction in service delivery or quality. Although the myriad of uncertainties affecting local government make medium term financial planning far more challenging, the fairly recent confirmation of a fixed 4 year funding settlement has at least given some clarity to one of the Council's major funding sources. And to this end the Council's senior leadership team is already working to set a strategic 5-7 year vision which is both deliverable and affordable.</p> <p>However, savings need to be achieved to meet the funding gap identified in the medium term financial plan. The Council has achieved its plans for 2016/17, and quarterly reporting against the budget has ensured that the savings have been achieved.</p> <p>Forward planning needs to set out the annual savings programme in a manner that allows the achieved savings to be monitored against plans. Management need to ensure that they monitor this through regular reporting.</p>

Appendix A: Reports issued and fees

We confirm below our final fees charged for the audit and provision of non-audit services.

Fees

	Proposed fee £	Final fee £
Council audit	47,700	47,700
Grant Certification – HB Subsidy	6,908	6,908
Total audit fees (excluding VAT)	54,608	54,608

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The proposed fees for the year were in line with the scale fee set by Public Sector Audit Appointments Ltd (PSAA)

Reports issued

Report	Date issued
Audit Plan	21 March 2017
Audit Findings Report	17 July 2017
Annual Audit Letter	8 September 2017

Fees for other services

Service	Fees £
Audit related services:	None
Non-audit services	
- Pooling of capital receipts 2015/16	1,500
- HCA Decent Homes backlog claim 2015/16	2,000
- Taxation advice in respect of Special purpose Vehicle	10,000

Non-audit services

- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The table above summarises all other services which were identified.
- We have considered whether other services might be perceived as a threat to our independence as the Council's auditor and have ensured that appropriate safeguards are put in place, as reported in our Audit Findings Report.

The above non-audit services are consistent with the Council's policy on the allotment of non-audit work to your auditor and have been approved by the Audit Committee.

Reports issued and fees continued

We have considered whether other services might be perceived as a threat to our independence as the Council's auditor and have ensured that appropriate safeguards have been applied to mitigate these risks.

	Service provided to	Fees	Threat identified	Safeguards
Audit related services				
	- Pooling of capital receipts 2015/16	1,500	No	
	- HCA Decent Homes backlog claim 2015/16	2,000	No	
Non-audit services				
	- Taxation advice in respect of Special purpose Vehicle	10,000	Yes	Work was carried out by specialist team independent of the Audit team
		12,500		

The above non-audit services are consistent with the Council's policy on the allotment of non-audit work to your auditor and have been approved by the Audit Committee.



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