

# Public Document Pack

Mid Devon District Council

## Audit Committee

Tuesday, 20 November 2018 at 5.30 pm  
Exe Room, Phoenix House, Tiverton

Next ordinary meeting  
Tuesday, 22 January 2019 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. **Declaration of Interests under the Code of Conduct**  
Councillors are reminded of the requirement to declare any interest, including the type of interest, and reason for that interest, either at this stage of the meeting or as soon as they become aware of that interest.
3. **Public Question Time**  
To receive any questions relating to items on the Agenda from members of the public and replies thereto.
4. **Minutes of the previous meeting (Pages 5 - 10)**  
Members to consider whether to approve the minutes as a correct record of the meeting held on 18 September 2018.
5. **Chairman's Announcements**  
To receive any announcements that the Chairman may wish to make.

6. **Performance & Risk for 2018-19** (*Pages 11 - 42*)  
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.
7. **Progress update on the Annual Governance Statement Action Plan** (*Pages 43 - 48*)  
To receive a report from the Group Manager for Performance, Governance and Data Security providing the Committee with an update on progress made against the Annual Governance Statement 2017/18 Action Plan.
8. **Anti-fraud and Corruption and Anti-Money Laundering Policies** (*Pages 49 - 62*)  
To receive a report from the Group Manager for Performance, Governance and Data Security presenting the Committee with the reviewed and updated policies for Anti-Fraud & Corruption and Anti-Money Laundering.
9. **Data Quality Policy** (*Pages 63 - 76*)  
To receive a report from the Group Manager for Performance, Governance and Data Security presenting the Committee with the Data Quality Policy and Data Quality Standards.
10. **Internal Audit Progress Report 2018-2019** (*Pages 77 - 86*)  
To receive a progress update report from the Head of the Audit Partnership.
11. **External Progress Report and Sector Update** (*Pages 87 - 96*)  
To receive a report from Grant Thornton providing the Audit Committee with a report on progress in delivering their responsibilities as the Council's external auditors.
12. **Identification of items for the next meeting**  
Members are asked to note that the following items are already identified in the work programme for the next meeting:
  - Review of Member responsiveness in Planning (Chief Executive)
  - Performance & Risk
  - Progress update on the Annual Governance Statement Action Plan
  - Internal Audit Progress Report
  - Devon Audit Partnership Review (report from the Chairman)
  - External Audit Progress Report and Sector Update
  - Grant Thornton – Grants Certification Report

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

**Stephen Walford**  
Chief Executive  
Monday, 12 November 2018

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](mailto:slees@middevon.gov.uk)

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## MID DEVON DISTRICT COUNCIL

**MINUTES** of a **MEETING** of the **AUDIT COMMITTEE** held on 18 September 2018 at 5.30 pm

### **Present**

#### **Councillors**

R Evans (Chairman)  
Mrs J B Binks, T G Hughes, R F Radford and B A Moore

### **Apologies**

#### **Councillors**

Mrs C Collis, R M Deed and L D Taylor

### **Also in**

#### **Attendance**

Andrew Davies (Grant Thornton)

### **Present**

#### **Officers**

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

## 28. **APOLOGIES**

Apologies were received from Cllr Mrs C A Collis, who was substituted by Cllr B A Moore, Cllr R M Deed and Cllr L D Taylor.

## 29. **DECLARATION OF INTERESTS UNDER THE CODE OF CONDUCT**

There were no interests declared under this item.

## 30. **PUBLIC QUESTION TIME**

There were no members of the public present.

## 31. **MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 16 July 2018 were confirmed as a true and accurate record and **SIGNED** by the Chairman.

## 32. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had the following announcements to make:

- a) He reminded the Committee that there would be an all Member briefing on the 3 Rivers Development Company on 4<sup>th</sup> October 2018. As the original request for this to take place had arisen at the previous Audit Committee, he hoped all Members of the Committee would be able to attend.
- b) The Committee had previously asked him to write to the Cabinet about concerns regarding Development Control performance targets. He had done this and had received a reply from the Head of Planning and Economic Regeneration which was copied to Committee Members. He had subsequently met with the Cabinet Member and had discussed the concerns he had

received from elected colleagues. He informed the Committee that he was due to have a meeting with the Leader, the Deputy Leader and the Chief Executive tomorrow morning after which he would report back to the Committee.

- c) He had spoken to the Deputy Chief Executive (S151) regarding the Devon Audit Partnership (DAP) fraud assurance service. He would keep the Committee updated on developments since assurance in this area was vital.
- d) He reminded the Committee that Grant Thornton would be providing training sessions for Audit Committee members on 15/16 October. He would be attending the event at Buckfast Abbey on 16 October. He encouraged all Members of the Committee to attend if able to.

### 33. PERFORMANCE AND RISK FOR 2018-19 (00:06:12)

The Committee had before it, and **NOTED**, a report \* from the Director of Corporate Affairs & Business Transformation providing Members with an update of performance against the Corporate Plan and local service targets for 2017-18 as well as providing an update on the key business risks.

The contents of the report were outlined and discussion took place regarding:

- Data in relation to the number of empty shops had been incomplete when the report had been published. The Chairman had asked the Economic Development Manager to provide up to date information. The reply had been as follows: "SPAR has now been updated with July's figures. Tiverton there was a slight drop to 21 vacant units from 22 making the vacancy rate 9.0% with Crediton staying the same at 8.5%, and Cullompton at 8.2% as already recorded". The question was asked as to what more could be done to limit the number of empty shops in each of the towns. It was explained that initiatives such as the Tiverton Town Centre Masterplan might go some way towards addressing this but the Council was somewhat limited as to what it could do since many of the shops were owned by private individuals or companies.
- There was some business rate relief available for smaller businesses.
- It was noted that the targets in relation to social media outputs had been exceeded.
- The Chairman had also requested that the Group Manager for Public Health and Regulatory Services provide a management note in relation to compliance with food safety law. This had been copied to members of the Committee and was as follows: "The reduction to 85% compliance is a statistical issue. The cycle of inspection and interventions has meant a 3-yearly review of the lowest category risk premises has been completed this financial year. This has resulted in a number being identified as no longer active/preparing food and require deregistration. Such low-risk premises (e.g. village halls/pre-prepared food) have the most straight-forward compliance targets and typically score above 90% as a result. Having fewer such premises means the overall % compliance across the district is now lower. The higher risk premises are still performing as before and the number of food retail premises scoring 4 or 5 on Scores-on-door remain unaffected".
- The requirement to respond to FOI requests was compulsory but the substantial costs in terms of staff resource was noted.
- Performance and Risk was monitored by Leadership Team on a monthly basis.

- The Committee expressed its concerns regarding the continued inability to demonstrate the required 5 year housing land supply until the Local Plan had been approved. It was commented that the increase in the buffer zone from 5% to 20% was incredibly impactful on communities.

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

34. **PROGRESS UPDATE ON THE ANNUAL GOVERNANCE STATEMENT ACTION PLAN (00:23:22)**

The Committee had before it, and **NOTED**, a report \* from the Group Manager for Performance, Governance and Data Security providing it with an update on progress made against the Annual Governance Statement 2017/18 Action Plan. It was explained that the all 'Members Away Day Budget presentation' had taken place in accordance with the date identified in the action plan. Those Members who had attended the event provided positive feedback in relation to this; they thought it had been well led but were not convinced they had achieved the budget prioritisation the day had originally intended to achieve. It was felt that some Members had not understood the purpose of the day although this had been communicated by the Deputy Chief Executive (S151) beforehand. The Chairman reminded Members that officers needed greater and more sustained input from Members if solutions regarding financial pressures were to be practically addressed in the future.

Further consideration was given to the following:

- The software system in relation to S106 agreements was now ready to be implemented.
- A training programme for managers in relation to managing sickness absence had commenced.

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

35. **INTERNAL AUDIT PROGRESS REPORT 2018-19 (00:31:00)**

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

The following was highlighted within the report:

- No major issues had been identified within the core audits.
- Risk based audits had identified that effective controls were operating.
- A new service was available to provide assurance in the counter fraud area.
- Positive feedback had been received from audit clients in regard to audits that had taken place.
- 85% of the audit plan would still be delivered despite a key member of staff being on maternity leave for the first half of the year, there would be an opportunity to catch up when the member of staff returned to work in November. The Committee were reassured that all audits in the highest risk areas would be completed.

Discussion took place regarding:

- The Waste Management area was performing well in terms of achieving income targets however, whilst the chargeable garden waste scheme currently operated adequately there were some areas of the administrative process that required improvement to ensure greater efficiency.
- It was noted that the controls around the recruitment and selection policy were generally working well.
- It was also noted that the Corporate Equality Forum had not met for some time, however, the Group Manager for Performance, Governance and Data Security informed the Committee that she had already had a meeting with the Communications Manager and was due to attend the Equality Forum at Devon County Council in November.
- It was noted that the number of completed audit recommendations had risen from 67% to 75%.
- The long overdue recommendation in relation to 'Standby' would be dealt with as a matter of urgency and the Chairman was confident it would not appear at the next meeting.
- Whilst the year indicated for the Development Management S106 outstanding recommendation was stated as 2017 the Chairman stated that this audit had not been reported to the Audit Committee until May 2018 therefore the length of time this 'appeared' to be outstanding was misleading.
- The Deputy Head of the Audit Partnership was complimented on the style and format of the report.

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

### 36. **EFFECTIVENESS OF THE AUDIT COMMITTEE - SELF-ASSESSMENT (00:47:25)**

The Committee had before it a report \* from the Audit Manager considering the Chartered Institute of Public Finance and Accountancy (CIPFA) self-assessment checklist for Audit Committees. This was designed for Members to acknowledge their performance in their role as the Audit Committee against the CIPFA checklist and to decide in which areas they have evidence of their effectiveness and which areas they would suggest could be developed further.

The CIPFA Position Statement listed core areas that needed to be addressed by an Audit Committee's Terms of Reference. One of these related to the 'Assurance framework including partnerships and collaboration arrangements'. The TOR's within the Council's Constitution in relation to the Audit Committee did not currently say this, however, the AGS referred to 'Monitoring Reports from Key Partnerships and other External Bodies'. The Audit Charter and Strategy referred to 'Audit Partnership in support of the assurance framework.

Another core area related to 'Supporting the ethical framework'. Currently the TOR did not say this, however, DAP has taken Ethics and Values internal audit reports to the Audit Committee and the AGS has a section – 'Demonstrating strong commitment to ethical values'.

Therefore:

It is **RECOMMENDED** that the TOR of the Audit Committee be amended to include:

- i. Other assurance bodies including partnerships and collaboration arrangements.
- ii. Ethical framework

(Proposed by the Chairman)

Consideration was given to the remaining suggested actions within the report:

- Specific wider areas mentioned in the CIPFA Position Statement included Treasury Management and the requirement for all local authorities to make arrangements for the scrutiny of this. Treasury Management reports were currently referred directly to the Council's Cabinet. CIPFA guidance suggested that further assurance regarding a Council's Treasury Management arrangements would be provided if an Audit Committee had sight of them first and then made a recommendation to the Cabinet. With the agreement of the Committee, the Chairman stated that he would seek the opinion of the Chief Executive, the Leader and the Deputy Chief Executive (S151) in relation to this as a proposal for suggested change. He would update the Committee once he had heard back from them and ensure that an item was placed on the agenda for the next meeting to formally acknowledge the preferred option in relation to this.
- Regarding the suggestion to 'Complete the Skills Self-Assessment and identify training needs', the Committee felt that as there were only three meetings remaining before the election in May next year, therefore the issue of training ought to be deferred until the new Committee was in place.
- It was **AGREED** that the Committee would undertake a review of how it 'added value' to the Council and whether it could improve on any areas of weakness as part of its on-going work programme.

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

37. **AUDIT PROGRESS REPORT AND SECTOR UPDATE FROM GRANT THORNTON (01:08:35)**

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

The following was highlighted within the report:

- They were due to start planning the 2018/19 external audit and a rough indicative plan was included within the report.
- Since the last meeting they had signed off the HCA compliance audit.
- They had finished the first part of the Housing Benefit testing, however, they had identified two errors and further work would be required.

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

38. **ANNUAL AUDIT LETTER FROM GRANT THORNTON (01:11:52)**

The Committee had before it, and **NOTED**, a report \* from Grant Thornton summarising the key findings arising from the work that they had carried out at the Council and its subsidiary for the year ended 31 March 2018. It was explained that this was the public facing document and confirmed their unqualified opinion on the financial statements and value for money.

Consideration was given to the following:

- Risks identified in their audit plan specifically those in relation to the Council's housing company arrangements. It was confirmed that whilst Grant Thornton did not specifically audit the 3 Rivers Development Company, they did review its accounts as part of the consolidated financial statements of the authority. Up until now the figures in relation to 3 Rivers had not been significant enough to trigger a full external audit, however, this might change in the future. It was stated that the Committee should be reassured that one of the Directors of the company was also the Deputy Chief Executive (S151) and therefore fully conversant with the financial arrangements and undertook regular budget monitoring.
- There would always be risks involved in the valuation of property, plant and equipment since this involved estimation and actuarial assumptions. These risks would be identified in the findings of all local authorities.

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

39. **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (01:24:08)**

No further items were identified for the next meeting other than those already listed in the work programme.

(The meeting ended at 6.57 pm)

**CHAIRMAN**

## **AUDIT COMMITTEE 20 NOVEMBER 2018:**

### **PERFORMANCE AND RISK FOR 2018-19**

**Cabinet Member**                      Cllr Clive Eginton  
**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.

**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 % of household waste reused, recycled and composted; the recycling rate for the year so far is 53.8% compared to 52.5% for the same period last year when in Q 1 & 2 street sweeping waste was sent to landfill until the transfer station was built. Since the opening of the transfer station all residual waste is now taken to the Energy from waste plant. The number of missed collections was low but did rise slightly over Q2 in waste due to vacancies in the service. These positions have now been recruited to so performance should improve with route knowledge.
- 2.2 Regarding the Corporate Plan Aim: **Reduce our carbon footprint:** There are now 2 public electric car charging points at each leisure centre, additional chargers being installed as part of the Premier Inn project. Capital schemes for LED lighting are being identified.
- 2.3 Public Consultation on the options for delivering the Cullompton Eastern Relief Road continued until 25 October.

### Homes Portfolio - Appendix 2

- 2.4 Regarding the Corporate Plan Aim: **Build more council houses:** No new **Council Houses** were completed; however work is progressing on Birchen Lane (4), due October 2018, Burlescombe (6) due March and Palmerston Park (26) due June 2019.
- 2.5 Regarding the Corporate Plan Aim: **Facilitate the housing growth that Mid Devon needs, including affordable housing:** Last year was very successful with both measures well above target. The **Affordable homes** delivered figure is reported quarterly. Bringing **Empty homes** into use has almost reached the annual target as at September.
- 2.6 Regarding the Corporate Plan Aim: **Planning and enhancing the built environment: Performance Planning Guarantee determined within 26 weeks** is just below target for Q2 but all 4 speed and quality measures were well above the required target.
- 2.7 **% Properties with a valid Gas Safety Certificate:** 2 properties expired – both at legal stages due to access issues.
- 2.8 **Rent Arrears:** Performance improved during September with the month ending just outside target. The roll out of Universal Credit in Mid Devon has resulted in a far greater proportion of our tenants receiving their benefits directly and in arrears and consequently we have been expecting to see a reduction in the level of performance.

2.9 On 9 October 2018, the Housing Service hosted a regional meeting for TPAS, the Tenant Participation Advisory Service. The event was attended by 50 external attendees and four of our own involved tenants. Representatives from the Regulator for Social Housing and the Ministry of Housing, Communities and Local Government were also present. Three Officers and an involved tenant, David Taylor, gave a presentation about our approach to tenant involvement which was very well received.

2.10 Housing performance remains in the top quartile compared with HouseMark.

#### Economy Portfolio - Appendix 3

2.11 An Economic Development Service Update which covers specific projects is a separate item on this agenda.

2.12 Regarding the Corporate Plan Aim: **Focus on business retention and growth of existing businesses:** we record **Businesses assisted** which is above target; they have to be assisted for a minimum of an hour to be included in this figure. MDDC has also been instrumental in two successful bids for LEADER funding for Mid Devon businesses.

2.13 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**, the vacancy rates have improved for Crediton and Cullompton for Q2, only Tiverton is below our target.

#### Community Portfolio - Appendix 4

2.14 Regarding the Corporate Plan Aim: **Promote physical activity, health and wellbeing:** A total refurbishment of the fitness studio at Lords Meadow Leisure Centre will be completed by the end of the year. Costing £185,000 the decision to revamp the facility was approved by Mid Devon District Council's Cabinet on 25<sup>th</sup> October.

2.15 **Other:** compliance with food safety law there has been some reclassification of premises which has reduced the number of higher risk premises this PI relates to.

2.16 Gigaclear made an announcement on 1 November that they are in significant delay in delivering superfast broadband across Devon and Somerset. They promise to keep communities informed of any decisions through their elected representatives.

#### Corporate - Appendix 5

2.17 **Working days lost due to sickness** remains well below target. The Sickness Absence Action Plan went to Leadership Team for approval in October.

2.18 The **Response to FOI requests** remains slightly below target. The new performance reporting requirements contained in the Cabinet Office Code of

Practice on FOI were published on our website for the first time as at September.

- 2.19 Complaints resolved within set timescales is slightly below target. The average number of complaints recorded each month by Customer First is 30.
- 2.20 Progress is steady with Premier Inn since the partial demolition of the car park started. Some progress has also been made with letting out our retail units.
- 2.21 The cash collection project is on target for the 1 December go live date.

### **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.

**Contact for more Information:** Catherine Yandle Group Manager for Performance, Governance and Data Security ext 4975

**Circulation of the Report:** Leadership Team and Cabinet Member

## Corporate Plan PI Report Environment

Monthly report for 2018-2019  
 Arranged by Aims  
 Filtered by Aim: Priorities Environment  
 For MDDC - Services

## Key to Performance Status:

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

Corporate Plan PI Report Environment																		
Priorities: Environment																		
Aims: Increase recycling and reduce the amount of waste																		
Performance Indicators																		
Title	Prev Year (Period)	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) (figures have to be verified by DCC)</u>	195.29 (6/12)		378.00	32.70	64.94	93.67	123.01	152.22	185.92								Stuart Noyce	(April - September) The amount of residual household waste has decreased by 1.93% compared to Q1 and is 4.4% under target. (LD)
<u>% of Household Waste Reused, Recycled and Composted (figures have to be verified by DCC)</u>	52.5% (6/12)		53.0%	54.3%	55.0%	56.5%	56.0%	54.8%	53.8%								Stuart Noyce	(September) The rise is mainly due to an increase in organic waste of 186.58 tonnes and mirrors the rise in garden waste customers together with an increase in the amount of street sweeping residue sent for composting. (LD)
<u>Net annual cost of waste service per household</u>			£45.31	n/a		n/a	Stuart Noyce											
<u>Number of Households on Chargeable Garden Waste</u>	9,537 (6/12)		9,500	9,613	9,848	9,912	9,953	9,978	10,034								Stuart Noyce	(September) The number of garden waste customers has increased by 5.21% compared to the same period last year and exceeds the target by 534 customers. Although this

**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
																		number may change as the majority of renewals are carried out during the months of October and November. (LD)
<u>% of missed collections reported (refuse and organic waste)</u>	0.03% (6/12)		0.03%	0.02%	0.02%	0.03%	0.03%	0.03%	0.04%								Stuart Noyce	(September) The % is 0.01% above target for the year. This has increased due to vacancies in service which are currently being recruited. (LD)
<u>% of Missed Collections logged (recycling)</u>	0.03% (6/12)		0.03%	0.01%	0.01%	0.01%	0.01%	0.02%	0.02%								Stuart Noyce	(September) The % of missed collections attributed to kerbside recycling remain on target for the year. (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>	21 (6/12)			3	4	7	8	9	11								Stuart Noyce	(September) One offender has appeared in court resulting in a fine of £800 for non payment of Penalty Notice. (LD)

**Corporate Plan PI Report Homes**

Monthly report for 2018-2019  
 Arranged by Aims  
 Filtered by Aim: Priorities Homes  
 For MDDC - Services

Key to Performance Status:

Performance Indicators:

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

**Corporate Plan PI Report Homes**

**Priorities: Homes**

**Aims: Build more council houses**

**Performance Indicators**

Title	Prev Year (Period)	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 to Manager	Officer Notes
<u>Build Council Houses</u>	0 (6/12)		26	0	0	0	0	0	0								Angela Haigh	(May) Birchen Lane due May (CY), (September) Birchen Lane revised due completion October (CY)

**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 to Manager	Officer Notes
<u>Number of affordable homes delivered (gross)</u>	59 (2/4)		80	n/a	n/a	8	n/a	n/a	12	n/a	n/a		n/a	n/a			Angela Haigh	
<u>Deliver 15 homes per year by bringing Empty Houses into use</u>	43 (6/12)		72	13	19	26	29	56	70								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 to Manager	Officer Notes
<u>% Decent Council Homes</u>	100.0% (6/12)		100.0%	99.8%	99.9%	99.7%	99.9%	99.9%	99.9%								Angela Haigh	
<u>% Properties With a Valid Gas Safety Certificate</u>	99.91% (6/12)		100.00%	99.69%	99.78%	99.73%	99.91%	99.91%	99.91%								Angela Haigh	
<u>Rent Collected as a Proportion of Rent Owed</u>	98.73% (6/12)		100.00%	95.34%	96.76%	97.09%	97.72%	99.34%	99.70%								Angela Haigh	
<u>Current Tenant Arrears as a Proportion of Annual Rent Debit</u>	1.30% (6/12)		1.00%	1.13%	1.17%	1.29%	1.34%	1.32%	1.32%								Angela Haigh	
<u>Dwelling rent lost due to voids</u>	0.5% (6/12)			0.71%	0.67%	0.70%	0.65%	0.57%	0.55%								Angela Haigh	
<u>Average Days to Re-Let Local Authority Housing</u>	16.8days (6/12)		14.0days	16.6days	15.9days	16.1days	15.6days	14.9days	14.2days								Angela Haigh	

**Corporate Plan PI Report Homes**

**Priorities: Homes**

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## Corporate Plan PI Report Economy

Monthly report for 2018-2019  
 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 to Manager	Officer Notes
<u>Number of business rate accounts</u>	2,963 (6/12)		3,000	3,004	3,004	3,044	3,049	3,049	3,054								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 to Manager	Officer Notes
<u>Businesses assisted</u>	137 (6/12)		250	25	49	72	93	113	128								None	(September) Provisional (JB)

## 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 to Manager	Officer Notes
<u>Increase in Car Parking Vends</u>	54,734 (6/12)			49,410	51,507	51,931	53,629	53,627	51,547								Andrew Jarrett	
<u>The Number of Empty Shops (TIVERTON)</u>	25 (2/4)		18	n/a	n/a	22	n/a	n/a	21	n/a	n/a	n/a	n/a	n/a	n/a		Adrian Welsh	(Quarter 2) July 2018 slight improvement - 21 vacant units representing 9% of available units (JB)
<u>The Number of Empty Shops (CREDITON)</u>	8 (2/4)		8	n/a	n/a	10	n/a	n/a	8	n/a	n/a	n/a	n/a	n/a		Adrian Welsh	(Quarter 2) 8 units representing 6.8% of the total retail units (JB)	
<u>The Number of Empty Shops (CULLOMPTON)</u>	9 (2/4)		8	n/a	n/a	6	n/a	n/a	7	n/a	n/a	n/a	n/a	n/a		Adrian Welsh	(Quarter 2) Vacancy rate on 17th July was 8.2% (7 vacant units) (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 to Manager	Officer Notes
<u>Funding awarded to support</u>	£25,459 (2/4)			n/a	n/a	£0	n/a	n/a	£160,395	n/a	n/a		n/a	n/a			Adrian Welsh	(Quarter 2) £133,178 LEADER funding awarded to Newton Equine Services £27,217 LEADER funding

<b>Corporate Plan PI Report Economy</b>																		
<b>Priorities: Economy</b>																		
<b>Aims: Other</b>																		
<b>Performance Indicators</b>																		
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 to Manager	Officer Notes
<u>economic projects</u>																		awarded to Harefield Barn, Shobrooke (JB)

**Corporate Plan PI Report Community**

Monthly report for 2018-2019  
 Arranged by Aims  
 Filtered by Aim: Priorities Community  
 Filtered by Flag: Exclude: Corporate Plan Aims 2016 to 2020  
 For MDDC - Services

Key to Performance Status:

Performance Indicators:

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

**Corporate Plan PI Report Community**

**Priorities: Community**

**Aims: 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 Manager Date	Group to Manager	Officer Notes
<u>GP Referrals</u>	22 (7/12)			22	22	22	22	22	22	22							Corinne Parnall	(October) 22 (K)

**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 Manager Date	Group to Manager	Officer Notes
<u>Number of social media communications MDDC send out</u>	175 (7/12)		30	69	66	66	75	77	86	125							Jane Lewis	(October) No. of Facebook Posts Published = 60 No. of Tweets Tweeted = 65 (MA)
<u>Number of web hits per month</u>	27,804 (7/12)			35,191	33,432	29,453	30,317	31,082	29,611	31,193							Jane Lewis	
<u>Compliance with food safety law</u>	89% (6/12)		90%	85%	85%	85%	85%	85%	86%								Simon Newcombe	(April - August) The reduction to 85% compliance is a statistical issue. The cycle of inspection and interventions has meant a 3-yearly review of the lowest category risk premises has been completed this financial year. This has resulted in a number being identified as no longer active/preparing food and require deregistration. Such low-risk premises (e.g. village halls/pre-prepared food) have the most straight-forward compliance targets and typically score above 90% as a result. Having fewer such premises means the overall % compliance across the district is now lower. The higher risk

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 Date	Group to Manager	Officer Notes
																		premises are still performing as before and the number of food retail premises scoring 4 or 5 on Scores-on-door remain unaffected. (CY)

Corporate Plan PI Report Corporate

Monthly report for 2018-2019  
 Arranged by Aims  
 Filtered by Aim: Priorities Delivering a Well-Managed Council  
 For MDDC - Services

Key to Performance Status:

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

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

Corporate Plan PI Report Corporate

Priorities: Delivering a Well-Managed Council

Aims: Put customers first

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 to Manager	Office Notes
% of complaints resolved w/in timescales (10 days - 12 weeks)	93% (6/12)		90%	94%	96%	89%	89%	90%	87%								Lisa Lewis	
Number of Complaints	38 (6/12)			18	28	32	37	28	32								Lisa Lewis	
New Performance Planning Guarantee determine within 26 weeks	99% (2/4)		100%	n/a	n/a	100%	n/a	n/a	100%	n/a	n/a	n/a	n/a				Jenny Clifford, David Green	
Major applications determined within 13 weeks (over last 2 years)	83% (2/4)		60%	n/a	n/a	86%	n/a	n/a	91%	n/a	n/a	n/a	n/a				Jenny Clifford, David Green	
Minor applications determined within 8 weeks (over last 2 years)	79% (2/4)		65%	n/a	n/a	73%	n/a	n/a	75%	n/a	n/a	n/a	n/a				Jenny Clifford, David Green	
Major applications overturned at appeal (over last 2 years)	4% (2/4)		10%	n/a	n/a	3%	n/a	n/a	3%	n/a	n/a	n/a	n/a				Jenny Clifford, David Green	
Minor applications overturned at appeal (over last 2 years)	0% (2/4)		10%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a	n/a	n/a				Jenny Clifford, David Green	
Response to FOI Requests (within 20 working days)	78% (6/12)		100%	97%	98%	98%	98%	98%	97%								Catherine Yandle	
Working Days Lost Due to Sickness Absence	4.66days (7/12)		7.00days	0.64days	1.34days	2.18days	2.82days	3.42days	4.13days	4.79days							Jane Cottrell	
Return on Commercial Portfolio			7.5%	n/a	n/a	n/a	n/a			n/a	Andrew Busby							
% total Council tax collected - monthly	56.69% (6/12)		98.50%	11.32%	20.63%	29.48%	38.51%	47.43%	56.33%								Andrew Jarrett	
% total NDR collected - monthly	57.38% (6/12)		99.20%	12.15%	23.60%	32.20%	40.39%	47.45%	56.32%								Andrew Jarrett	

**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	Group Manager	Office Notes
<u>Number of visitors per month</u>	2,703 (6/12)		2,750	2,172	2,351	2,323	2,393	2,341	2,338								Lisa Lewis	
<u>Satisfaction with front-line services</u>	97.14% (6/12)		80.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%								Lisa Lewis	
<u>Increase Number of Digital payments</u>	38,810 (6/12)		70,960	6,908	14,226	20,885	27,772	34,330	40,987								Lisa Lewis	

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## Risk Report Appendix 6

Report for 2018-2019

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: 3 Rivers Disclosure requirements** The disclosure arrangements for the new wholly owned SPV are posing technical accounting questions which are exercising our external auditors and Finance department

**Effects (Impact/Severity):**

**Causes (Likelihood):**

Service: Financial Services

**Current Status: High (15)**

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 3 - Medium

Service Manager: Jo Nacey

**Review Note:** We have enlisted the help of a technical expert who advises CiPFA to ensure we get this right

**Risk: 3 Rivers Governance Arrangements** Maintaining arms-length status and not falling foul of state aid legislation, successfully countermanning challenge.

**Effects (Impact/Severity):**

**Causes (Likelihood):**

Service: Governance

**Current Status: High (15)**

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 3 - Medium

Service Manager: Catherine Yandle

**Review Note:** Lots of scrutiny and FOIs at the moment, likely to continue into 2019

## Risk Report Appendix 6

**Risk: 3 Rivers Loan** Ability to service and repay the loan from MDDC will depend on Economic factors and their success in the marketplace commercially.

**Effects (Impact/Severity):**

**Causes (Likelihood):**

Service: Financial Services

**Current Status: High  
(16)**

**Current Risk Severity: 4 -  
High**

**Current Risk Likelihood: 4 -  
High**

Service Manager: Jo Nacey

**Review Note:** Dependent on ability to win contracts and compete in a low margin environment

**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 on the website

**Risk: Commercial Land supply** Failure to identify commercial land supply will stunt economic growth

**Effects (Impact/Severity):**

**Causes (Likelihood):**

Service: Planning

**Current Status: Medium  
(10)**

**Current Risk Severity: 5 - Very  
High**

**Current Risk Likelihood: 2 -  
Low**

Service Manager: Jenny Clifford

**Review Note:** Local Plan Review identifies employment land.

**Risk: Contingency - Business Continuity** Having an ineffective Business Continuity Plan in place to complement the Emergency Plan, Disaster Recovery Plan and Risk Management Plan leading to service failure and loss in reputation.

**Effects (Impact/Severity):** • Staff are not enabled or adequately prepared to deal with incidents in the event that senior managers are unavailable  
 • Poor management of a major incident will affect the Council's reputation  
 • There is a risk to decision-making processes and maintaining quorate committees in the event of

## Risk Report Appendix 6

loss of Members.

- Software Failure, leading to potential inability to pay staff, creditors, benefits etc and inability to access key data affecting service delivery and customer experience
- Increase in workforce homeworking

**Causes (Likelihood):** • Severe weather including snow, flooding and heatwaves can cause disruption to normal service operation

• Severe space weather can cause disruption to a range of technologies and infrastructure, including communications systems, electronic circuits and power grids.

• Fuel strikes

• Industrial action

Failure to plan for this and implement contingency procedures will affect service delivery.

**Service: Governance**

**Current Status: High (16)**

**Current Risk Severity: 4 - High**

**Current Risk Likelihood: 4 - High**

**Service Manager: Catherine Yandle**

**Review Note:** Local authorities have been warned to prepare for up to three months of disruption in the event of a no-deal Brexit.

We are also coming into the season when inclement weather is likely.

**Risk: Corp RA - Recycling Income** Reduction in material income levels due to market forces.

**Effects (Impact/Severity):**

**Causes (Likelihood):**

**Service: Street Scene Services**

**Current Status: Medium (12)**

**Current Risk Severity: 4 - High**

**Current Risk Likelihood: 3 - Medium**

**Service Manager: Stuart Noyce**

**Review Note:**

**Risk: Culm Garden Village** Financial risk if bid for capacity funding fails as costs are being incurred already

**Effects (Impact/Severity):**

**Causes (Likelihood):**

**Service: Planning**

**Current Status: High (15)**

**Current Risk Severity: 5 - Very High**

**Current Risk Likelihood: 3 - Medium**

**Service Manager: Jo Nacey**

**Review Note:** needed

**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,

## Risk Report Appendix 6

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: Economic Development Service** Failure to promote economic activity within the District could reduce the potential for new jobs, new businesses 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: Growth, Economy and Development**

**Current Status: Medium (8)**

**Current Risk Severity: 4 - High**

**Current Risk Likelihood: 2 - Low**

**Service Manager: Adrian Welsh**

**Review Note:** Work on the Economic Strategy is well underway. The Economic Strategy will identify where the EDR team can intervene to support Economic Growth and will indicate improved ways to monitor progress

**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**

**Service Manager: Claire Fry**

**Review Note:** The assessment of the risk remains the same, as the Housing Service is required to house vulnerable people with complex needs who may exhibit challenging behaviour if they feel threatened. An eviction can be a very traumatic event for such people.

**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

## Risk Report Appendix 6

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:** Adoption of Local Plan Review will re-establish housing land supply.

**Risk: GDPR compliance** That the Council cannot demonstrate that we are prepared for GDPR

**Effects (Impact/Severity):**

**Causes (Likelihood):**

**Service:** Governance

**Current Status: Medium**  
(10)

**Current Risk Severity: 5 - Very**  
**High**

**Current Risk Likelihood: 2 -**  
**Low**

**Service Manager:** Catherine Yandle

**Review Note:** Information Audit Action Plan agreed today

**Risk: H&S RA - Carlu Close Depot** Inherent risk at Carlu Close site - highest scoring risk

**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:** Higher level risk have now been updated

**Risk: H&S RA - Enforcement Officer** Enforcement Officer Risk assessment

**Effects (Impact/Severity):**

**Causes (Likelihood):**

**Service:** Street Scene Services

**Current Status: Medium**  
(10)

**Current Risk Severity: 5 - Very**  
**High**

**Current Risk Likelihood: 2 -**  
**Low**

**Service Manager:** Stuart Noyce

**Review Note:** Limited access to support while working alone -  
Emergency help button installed on hand held device with direct relay to depot.  
Officers registered with Taunton Deane Lone Worker programme

## Risk Report Appendix 6

**Risk: H&S RA - Litter picking** Litter picking - Risk of accident/injury from vehicles when working roadside

**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: Darren Beer

**Review Note:**

**Risk: H&S RA - Recycling Depot Operatives** Risk assessment for role - Highest Risks scored - Vehicle Movements inside Depot/Risk of Fire

**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:** SSoW/designated walkways/PPE/Reversing Assistants/Equipment servicing. Regular alarm testing and equipment checks/flammable materials outside.

**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:** SSoW/Training & Instruction/Mobile phones

**Risk: H&S RA - Street Cleansing Operative** Risk assessment for role - highest risk from role - Risk of accident/injury when working roadside

**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 Report Appendix 6

**Risk: H&S RA - Tractor Operations** Tractor with Side Arm Flail Operations (Where applicable this RA is to be used in conjunction with the Working by roadside RA and the Hand Held Hedge Cutter RA)

**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: Darren Beer

**Review Note:**

**Risk: H&S RA - Tree Operations including the use of chainsaws** Tree operations including the use of chainsaws

**Effects (Impact/Severity):**

**Causes (Likelihood):**

Service: Grounds Maintenance

**Current Status: Medium  
(12)**

**Current Risk Severity: 4 -  
High**

**Current Risk Likelihood: 3 -  
Medium**

Service Manager: Darren Beer

**Review Note:**

**Risk: H&S RA - Use of GM vehicles (inc. loading, tipping, trailers and use of water bowser)** Loading vehicles + unloading on site

**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: Darren Beer

**Review Note:**

**Risk: H&S RA - Working at height** Use of Ladders

**Effects (Impact/Severity):**

**Causes (Likelihood):**

Service: Grounds Maintenance

**Current Status: Medium  
(12)**

**Current Risk Severity: 4 -  
High**

**Current Risk Likelihood: 3 -  
Medium**

Service Manager: Darren Beer

**Review Note:**

## Risk Report Appendix 6

**Risk: H&S RA - Working by Roadside Urban/Rural** Carrying out activities and tasks by the roadside.

**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: Darren Beer

**Review Note:**

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

**Effects (Impact/Severity):**

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

Service: Street Scene Services

**Current Status: Medium (10)**

**Current Risk Severity: 5 - Very High**

**Current Risk Likelihood: 2 - Low**

Service Manager: Stuart Noyce

**Review Note:**

**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:** The assessment of the risk remains the same but it should be noted that the Housing Service works closely with partners including the Devon and Somerset Fire and Rescue Service to help those who hoard to understand the possible consequences of their behaviour and to help them to commence addressing the issues.

**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

## Risk Report Appendix 6

intervention.

- Possible increase in temporary accommodation usage.

**Causes (Likelihood):** New legislation implemented in April 2018 introduced new statutory duties and as a result the numbers of people presenting as homeless are increased, having an impact upon workloads.

**Service: Housing Services**

**Current Status: Medium (12)**

**Current Risk Severity: 4 - High**

**Current Risk Likelihood: 3 - Medium**

**Service Manager: Claire Fry**

**Review Note:** In mitigation of the risk, we have implemented a restructure to build capacity and we are planning to convert an existing property to provide more temporary accommodation. However, the risk assessment remains the same because there is only a limited number of units available within our own stock to house those to whom we have a duty and whilst there is a budget for to meet the cost of accommodating clients elsewhere, there is a risk that this might not be enough should there be a large increase in the numbers of people who need to be housed on a temporary basis. New software has been procured and is in use.

**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: Medium (12)**

**Current Risk Severity: 4 - High**

**Current Risk Likelihood: 3 - Medium**

**Service Manager: Claire Fry**

**Review Note:** Universal Credit full service has now started in Mid Devon and the number of tenants in receipt of this is increasing. This is having an impact upon our revenue stream. For this reason, the risk assessment remains the same although we now have a team in place which is dedicated to income recovery and we are also reviewing our procedures in order to streamline them.

**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: Alan Keates**

## Risk Report Appendix 6

**Review Note:** Although technical controls are in place to help to mitigate this risk, there is still a high probability that human error could potentially cause a severe data breach or malware infection. User awareness training is regularly taking place to help reduce this risk.

### 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, Heather Hargreaves

**Review Note:**

### Risk: Localism Act - Community Right to Buy / Challenge Transference of services to the community could enable the Council to identify cost savings

**Effects (Impact/Severity):**

**Causes (Likelihood):**

Service: Financial Services

**Current Status: Medium**  
(12)

**Current Risk Severity: 4 - High**

**Current Risk Likelihood: 3 - Medium**

Service Manager: Jo Nacey

**Review Note:**

### 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:** Health & Safety Officer trailing new Lone Working equipment.

### Risk: Management of Legionella within Corporate Assets The risk assessment covers the Management control, including practises and procedures, of Legionella across all Commercial Assets

**Effects (Impact/Severity):**

**Causes (Likelihood):**

Service: Property Services

**Current Status: High**  
(15)

**Current Risk Severity: 5 - Very High**

**Current Risk Likelihood: 3 - Medium**

## Risk Report Appendix 6

**Service Manager: Andrew Busby**

**Review Note:** The Environmental team are now regularly taking water samples from the corporate assets and the h&s officer has passed a legionella management course to assist with producing schematics of the HWS and CWS systems. The risk remains the same until we have completed a review across all sites as reported to the h&s Committee.

**Risk: Overall Funding Availability** Changes to Revenue Support Grant, Business Rates, New Homes Bonus and other funding streams in order to finance ongoing expenditure needs.

**Effects (Impact/Severity):**

**Causes (Likelihood):**

**Service: Financial Services**

**Current Status: High**  
(15)

**Current Risk Severity: 5 - Very High**

**Current Risk Likelihood: 3 - Medium**

**Service Manager: Jo Nacey**

**Review Note:** There is continuing pressure due to ongoing funding reductions. Further discussion has taken place centrally on changing the mechanism re NHB funding which will have an impact if implemented

**Risk: Palmerston Park** Development of 26 houses - liquidator exploring a claim against us regarding losses and damages re previous contractor.

**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:** Development of 26 houses - liquidator exploring a claim against us regarding losses and damages re previous contractor. A response to this claim has been submitted to those representing the liquidator and the Council despite chasing have not received a reply in accordance with the construction protocol.

**Risk: Plant Room** Plant Room

**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, Heather Hargreaves**

**Review Note:**

## Risk Report Appendix 6

### **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, Heather Hargreaves**

**Review Note:** improvement through increased staffing resources, or removing the activity. Staff training is undertaken for this activity in addition to the NPLQ qualification

### **Risk: Premier Inn Construction site** Increased difficulty in management of the car parking facility while the Premier Inn is being built

#### **Effects (Impact/Severity):**

#### **Causes (Likelihood):**

**Service: Property Services**

**Current Status: High (15)**

**Current Risk Severity: 5 - Very High**

**Current Risk Likelihood: 3 - Medium**

**Service Manager: Andrew Busby**

**Review Note:** Demolition RA received and circulated, comments sent to developer and mitigations amended as instructed by us. Insurance company advised. Risk increased to reflect the fact demolition due to commence this month.

### **Risk: Reduced Funding - Budget Cuts** We are subject to continuing budget reductions. If we concentrate on short term cost savings, it may increase long term impact of decisions

**Effects (Impact/Severity):** • Increased workforce stress and declining morale can add to the dangers of a major incident if staff come under pressure as budget cuts force changes in operational models

- Budget cuts may limit the financial resources that we can dedicate to network security potentially making us more vulnerable to cyber-attacks
- Use of reserves to supplement reduced funding for budgets could put a strain on reserves in future, with inability to maintain them
- The Council could significantly over or underspend against budget on the provision of Council services
- There may be inefficient use of public money and a failure to comply with the Council's objectives
- The relative scale of impact in an incident will be higher due to decreased organisational resilience as a result of diminishing financial reserves and workforce response capacity

**Causes (Likelihood):** • Severe financial pressure caused by a significant reduction to the Council's Revenue Support Grant

- Ceasing of other grants

**Service: Financial Services**

**Current Status: High (20)**

**Current Risk Severity: 5 - Very High**

**Current Risk Likelihood: 4 - High**

**Service Manager: Jo Nacey**

## Risk Report Appendix 6

**Review Note:** We have managed to balance the budget in previous years with limited use of reserves. This will become increasingly difficult and we will need to continue to implement longer term savings.

**Risk: Reduced Funding - Service Cuts** With continued reductions in funding, there may be a long-term need to plan reduced or cease non-statutory services.

**Effects (Impact/Severity):**

- With the economic downturn there is risk of balancing reduced services with customer expectations in an increasing demand-led environment.
- Financial costs arising from reduced services (eg insurance claims due to flicking stones when cutting long grass)

**Causes (Likelihood):** • Severe financial pressure caused by a significant reduction to the Council's Revenue Support Grant

**Service: Financial Services**

**Current Status: High**  
(16)

**Current Risk Severity: 4 - High**

**Current Risk Likelihood: 4 - High**

**Service Manager: Jo Nacey**

**Review Note:**

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

**Effects (Impact/Severity):**

**Causes (Likelihood):**

**Service: Communications**

**Current Status: Medium**  
(10)

**Current Risk Severity: 5 - Very High**

**Current Risk Likelihood: 2 - Low**

**Service Manager: Jane Lewis**

**Review Note:** Now that there is a full time Communication Officer in post this provides the council with improved social media monitoring and we are more likely to respond in a timely manner. The media policy and social media guidelines are also currently being reviewed and will be taken to the Community PDG in November 2018.

**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:** the assessment of the risk remains the same but there are adopted policies and procedures which should mitigate the risk of a disaster happening. Furthermore, we have trained and experienced staff.

## Risk Report Appendix 6

**Risk: S106 Agreement** Inability of the legacy systems to provide a full overview of the 'trigger points' for all of the s106 agreements

**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:** Project to update records is progressing and will allow better tracking of payments due /made and trigger dates.

**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, Heather Hargreaves

**Review Note:** Improvement possible by increased staffing resources

**Risk: Stress** Legal work is often high stakes and relatively urgent, with little control over the timing of instructions and work volumes. Officers in the team have to change priorities on a daily basis, leading to frustration and discord with services. The time allowed to do the work properly first time is almost always underestimated, leading officers to feel that they are on a conveyer-belt with little appreciation.

**Effects (Impact/Severity):**

**Causes (Likelihood):**

Service: Legal Services

**Current Status: No Data**

**Current Risk Severity: 3 - Medium**

**Current Risk Likelihood: 3 - Medium**

Service Manager: Kathryn Tebbey

**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: 4 - High**

**Current Risk Likelihood: 3 - Medium**

Service Manager: Claire Fry

## Risk Report Appendix 6

**Review Note:** The risk assessment remains the same due to the nature of the work. Whilst we have a strong supervision framework in place, provide appropriate training and access to support as necessary, Officers are often required to work with challenging people, make key decisions which can have a profound impact upon individuals and juggle conflicting priorities.

### 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, Heather Hargreaves

**Review Note:** Improvement possible with increased staffing resources

### 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, Heather Hargreaves

**Review Note:** Improvement possible by increased staffing resources

### 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:** The risk assessment remains the same because vulnerable people may need support and may also exhibit challenging behaviour which could impact staff wellbeing. We provide appropriate training for staff and have good links with other agencies including the Police, social services, Wiser£money, CHAT, the CA etc

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# Risk Matrix

## Report For MDDC - Services Current settings

<b>Risk Likelihood</b>	<b>5 - Very High</b>	<b>No Risks</b>	<b>No Risks</b>	<b>1 Risk</b>	<b>No Risks</b>	<b>No Risks</b>
	<b>4 - High</b>	<b>No Risks</b>	<b>2 Risks</b>	<b>1 Risk</b>	<b>3 Risks</b>	<b>2 Risks</b>
	<b>3 - Medium</b>	<b>No Risks</b>	<b>2 Risks</b>	<b>12 Risks</b>	<b>13 Risks</b>	<b>7 Risks</b>
	<b>2 - Low</b>	<b>1 Risk</b>	<b>21 Risks</b>	<b>35 Risks</b>	<b>20 Risks</b>	<b>22 Risks</b>
	<b>1 - Very Low</b>	<b>4 Risks</b>	<b>7 Risks</b>	<b>8 Risks</b>	<b>11 Risks</b>	<b>20 Risks</b>
		<b>1 - Very Low</b>	<b>2 - Low</b>	<b>3 - Medium</b>	<b>4 - High</b>	<b>5 - Very High</b>
		<b>Risk Severity</b>				

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## AUDIT COMMITTEE 20 NOVEMBER 2018

### PROGRESS UPDATE ON THE ANNUAL GOVERNANCE STATEMENT ACTION PLAN

**Cabinet Member** Cllr Clive Eginton, Leader  
**Responsible Officer** Catherine Yandle, Group Manager Performance, Governance and Data Security

**Reason for Report:** To provide the Committee with an update on progress made against the Annual Governance Statement 2017/18 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 16 July 2018.
- 1.2 The Action Plan is attached as Appendix A and progress updates have been noted on the document.
- 1.3 There were 10 issues identified in the 2017/18 Annual Governance Statement. Some dates for completion have been amended but progress has been steady.
- 1.4 Progress against the Action Plan will be reported at each Audit Committee. I have added a column for RAG status to make progress clearer.

**Contact for more Information:** Catherine Yandle Group Manager Performance, Governance and Data Security ext 4975

**Circulation of the Report:** Leadership Team and Cllr Clive Eginton

**List of Background Papers:** None

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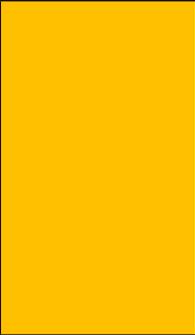
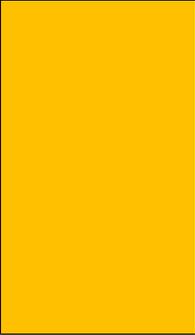
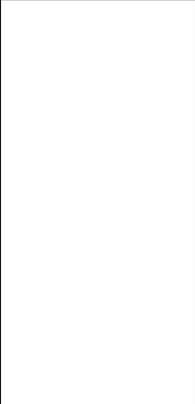
## Annual Governance Statement (2017/18)

Annual Governance Statement 2017-18 Action Plan				
Issues Identified	Action to be taken	By whom and progress	When	Status
1. The Internal Audit report for Development Control identified “Improvements Required” with regard to the inability of the legacy systems to provide a full overview of the ‘trigger points’ for all of the s106 agreements.	A project to address this is ongoing through use of specialised software, although populating the system is time consuming as many of the s106 agreements are complex. The current position is being reviewed by senior management and additional temporary staff engaged to clear the backlog.	<p>The Head of Planning, Economy and Regeneration</p> <p>Significant progress has been made; the planning system is now being reconciled with the financial system. An updated database of S106 records has been put in place.</p> <p>Planning S106 Governance proposals were considered at Cabinet in October when it was resolved to agree them for consultation with the Parish and Town Councils. Following consultation a further report will be taken to Cabinet.</p>	<p><del>31 October 2018</del></p> <p>31 January 2019</p>	
2. Increase ethics awareness training in the staff induction process	Write an ethics training module in the new Learning Management System for the mandatory induction process	Director of Business Transformation and Corporate Affairs	<p><del>31 October 2018</del></p> <p>30 November 2018</p>	
3. Evidence of balancing feedback from more active stakeholders with other stakeholders to ensure inclusivity	The Community Engagement Strategy and Action Plan are due to go to Community PDG	Director of Business Transformation and Corporate Affairs	20 November 2018	

## Annual Governance Statement (2017/18)

Page 46	4. We need processes for dealing with competing demands on the budget from the community	The Community Engagement Strategy and Action Plan are due to go to Community PDG  All Members' Budget Prioritisation Away Day	Director of Business Transformation and Corporate Affairs  Deputy Chief Executive	20 November 2018  7 September 2018	
	5. Still more benchmarking information is needed and stronger links between financial and performance monitoring	Link between finance and performance to be reinforced in Service Business Plans for 2019/20.	Deputy Chief Executive	<del>30 September 2018</del> 30 November 2018	
	6. Service plans do not yet demonstrate consideration of 'social value'	Link between finance and performance to be reinforced in Service Business Plans for 2019/20.	Deputy Chief Executive	<del>31 October 2018</del> 30 November 2018	
	7. 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.	Skills Audit to be completed by collecting information as part of the appraisal process and utilisation of the LMS system to record qualifications and experience.  Succession Planning Policy is required; was included in the revised HR Strategy.	Director of Business Transformation and Corporate Affairs  Meeting with SW Councils to scope this project was held on 31 August, project start date was agreed as January 2019.  Director of Business Transformation and Corporate Affairs  This went to Cabinet on 30 August and was approved.	January to October 2019       30 September 2018	

## Annual Governance Statement (2017/18)

<p>8. A Sickness Absence Action Plan is being developed by HR and the Health and Safety Officer</p>	<p>This went to Leadership Team for approval in October</p>	<p>Director of Business Transformation and Corporate Affairs</p> <p>HR and Learning have rolled out “return-to-work interview” training for managers.</p> <p>Plan is not yet fully implemented</p>	<p>30 September 2018 30 November 2018</p>	
<p>9. GDPR legislation now needs to be followed up with compliance and enforcement work.</p>	<p>A programme of Information audits is planned from Autumn 2018 to ensure, and enforce, compliance with the Data Protection Act 2018</p>	<p>Director of Business Transformation and Corporate Affairs</p> <p>The information audit work started in September and is programmed until the end of November. Work will then re-commence in the new year</p>	<p>31 October 2018 Ongoing</p>	
<p>10. Of the 7 areas where Partial compliance with the Public Sector Internal Audit Standards were identified; 5 are now fully compliant and 2 have identified further actions to achieve full compliance</p>	<p>Address remaining areas with “P” assessment via Quality Assurance Improvement Plan (QAIP). This will entail supporting the Council developing and maintaining an assurance map integrating this with the risk management framework. Review of the risk management framework will commence in September 2018.</p>	<p>DAP Deputy Head of Partnership</p> <p>The QAIP was approved by the Dap Management Board at their meeting on 17 October</p>	<p>September 2018 to March 2019</p>	

Green is completed

Amber is in Progress

Red is not completed

White is not due for completion yet

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## AUDIT COMMITTEE 20 NOVEMBER 2018

### ANTI-FRAUD AND CORRUPTION AND ANTI-MONEY LAUNDERING POLICIES

**Cabinet Member** Cllr Peter Hare-Scott  
**Responsible Officer** Group Manager for Performance, Governance and Data Security, Catherine Yandle

**Reason for Report:** To present the Committee with the reviewed and updated Policies for Anti-Fraud & Corruption and Anti-Money Laundering.

#### RECOMMENDATION(S):

1. That the Committee approves the revised Anti-Fraud & Corruption and Anti-Money Laundering Policies
2. Give the Group Manager for Performance, Governance and Data Security delegated authority to make minor amendments to these policies e.g. changes to job titles

**Relationship to Corporate Plan:** These policies support good governance arrangements enabling confidence in our delivery of the Corporate Plan.

**Financial Implications:** Not having these documents could result in not detecting fraud, corruption or financial irregularities, which could result in a loss to the Council.

**Legal Implications:** Any legal requirements are embedded in the policies no new or additional implications arise.

**Risk Assessment:** Without these policies the Council is at risk of not detecting fraud, corruption or financial irregularities, which could result in significant loss to the Council and damage its reputation.

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

#### 1.0 Introduction

- 1.1 These policies were last approved at Audit Committee on 2 December 2014.
- 1.2 There is some new legislation this year regarding Money Laundering but there is no implementation date and it is to do with maintaining the status quo post Brexit so this is very much a minor review of job titles and so on.

#### 2.0 Conclusion and Recommendations

- 2.1 It is essential to have these policies in place to promote good governance and accountability within MDDC. The Committee is therefore asked to:

1. Approve the amendments to the Anti-Fraud & Corruption and Anti-Money Laundering Policies
  2. Give the Group Manager for Performance, Governance and Data Security delegated authority to make minor amendments to these policies e.g. changes to job titles
- 2.2 These policies are reviewed every four years so unless there are any major changes the Committee will next review them in 2022.

**Contact for more Information:** Catherine Yandle Group Manager for Performance, Governance and Data Security ext 4975

**Circulation of the Report:** Leadership Team and Cabinet Member

## 1.0 WHAT IS FRAUD AND CORRUPTION?

### What is Fraud?

- 1.1. The Audit Commission Fraud Manual defines **Fraud** as:
- 1.2. *'The intentional distortion of financial statements or other records by persons internal or external to the authority which is carried out to conceal the misappropriation of assets or otherwise for gain'*
- 1.3. Most actual and attempted fraud against local authorities is committed by people who do not work for the authority, usually by claiming grants and benefits to which they are not entitled.
- 1.4. Fraud does not include petty theft or misappropriation unless there is distortion of financial statements or other records.
- 1.5. However, this policy is designed to promote propriety in public office and so the following, more general, definition of fraud is also appropriate: *'deliberate deception, trickery or cheating with the intention to gain an advantage'*.

### What is Corruption?

- 1.6. The Audit Commission Fraud Manual defines **Corruption** as:  
  
*'the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person'*
- 1.7. Unlike fraud, corruption usually needs a council employee or Councillor to take part.
- 1.8. In addition, the Bribery Act 2010 which came into force on 1 July 2011 applies to attempts to influence the improper performance of relevant functions or activities.
- 1.9. The Act describes 4 types of offence:
  - Bribing another person
  - Receiving a bribe
  - Bribing a foreign public official
  - Failure of commercial organisations to prevent bribery
- 1.10. Members in particular need to be aware mainly of the first 2 of these. As they could be exposed to potential attempts at bribery, given their responsibilities for planning, licensing and public expenditure.

## **2.0 MID DEVON DISTRICT COUNCIL'S APPROACH TO COMBAT FRAUD AND CORRUPTION**

- 2.1 MDDC's expectation is that Members and employees at all levels will lead by example to ensure high standards of propriety and accountability are established and strictly adhered to, and that personal conduct is above reproach at all times.
- 2.2 The Council's Anti-Fraud and Corruption Policy demonstrates a firm, clear and unambiguous commitment to preventing fraud and corruption. This policy, along with others such as the Codes of Conduct for both Officers and Members, is designed to prevent fraud and corruption. However, if fraud or corruption is discovered, the Council will deal swiftly with the perpetrators in accordance with this policy.
- 2.3 The Council is committed to an effective anti-fraud and corruption strategy, which is designed to:
- Encourage prevention
  - Promote detection
  - Identify a clear approach for investigation

## **3.0 CULTURE**

- 3.1 MDDC has a responsibility for the proper administration of public funds and must maintain a culture which does not tolerate fraud and corruption, and which is based on openness, fairness, trust and value.
- 3.2 Managing the risk of fraud and corruption is the responsibility of management. However, each member and officer of the Council must be aware of the risk of fraud, and has a duty to report any reasonable suspicions. All members and officers are encouraged to raise concerns about fraud and corruption, immaterial of rank, seniority or status, in the knowledge that such concerns will be properly investigated. The Council has a Whistle-blowing Policy to give confidence to anyone who wishes to raise concerns about behaviour and practice.
- 3.3 The Council will deal firmly with those who seek to defraud the authority, or who are found to be corrupt, in accordance with this policy (and operates a zero tolerance approach).
- 3.4 We believe the best defence against fraud and corruption is to create a strong anti-fraud culture within the organisation. The Council has adopted the seven Nolan principles of public life governing conduct, which are:

- **Selflessness.** Holders of public office should act solely in terms of the public interest.
  - **Integrity.** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family or their friends. They must declare and resolve any interests and relationships.
  - **Objectivity.** Holders of public office must act and take decisions impartially fairly and on merit using the best evidence and without discrimination or bias.
  - **Accountability.** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
  - **Openness.** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
  - **Honesty.** Holders of public office should be truthful.
  - **Leadership.** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.
- 3.5 We expect all our officers and members to follow these principles and all legal rules, procedures and practices, and to protect our legitimate interests at all times. Any member or officer, and any person or organisation who falls short of these standards can be sure that we will take all necessary action to deal with the matter.
- 3.6 We also expect that individuals and organisations with which MDDC comes into contact, and particularly those to which it provides finance, act towards the Council at all times with integrity and without fraudulent or corrupt intent.
- ## 4.0 PREVENTION
- 4.1 The Council's chief officers – Chief Executive, Group Managers and Service Managers – are responsible for establishing sound systems of internal control in all of their service's operations. 'Internal control' means the systems of control devised by management to ensure the Council's objectives are

achieved in a manner that promotes economic, efficient and effective use of resources. Such systems must safeguard the authority's assets and interests from fraud.

- 4.2 Internal Audit independently monitors the existence, appropriateness and effectiveness of internal controls, as a service to management.
- 4.3 Where fraud or corruption has occurred because of a breakdown in the authority's systems or procedures, management will ensure that appropriate improvements in systems of control are implemented to prevent a reoccurrence.
- 4.4 The Council's chief officers are responsible for ensuring that all staff are aware of the existence and content of the Financial and Contract Procedure Rules and other regulatory documents.
- 4.5 MDDC must ensure that staff are properly trained to discharge the responsibilities allocated. Once training has been provided, performance must be managed and use of proper practices enforced.
- 4.6 The Council recognises that a key preventative measure in dealing with fraud and corruption is for managers to take effective steps during the recruitment process to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts. The Council's recruitment policy should be adhered to during this process, and adequate employment references/employment checks performed.
- 4.7 Members are required to adhere to the Members' Code of Conduct, to be found in the Constitution, which has been formally adopted by MDDC. As part of the compliance with this code, Members are required to declare to the Council's Monitoring Officer when elected, and update when circumstances dictate, relevant interests. These are recorded in the register maintained for this purpose by the Monitoring Officer. These are subject to independent review by Internal Audit on a regular basis.
- 4.8 Similarly, all employees are bound by the requirements of the Code of Conduct for Employees. Employees are required to declare non-financial interests that they consider could bring about conflict with the authority's interests. MDDC employees are also expected to follow any code related to their professional role and qualifications.
- 4.9 Employees are required to report to their line manager, supervisor or other responsible senior officer any illegality, impropriety, breach of procedure or serious deficiency. The Council has a Whistle-blowing Policy to give confidence to anyone who wishes to raise concerns about behaviour and practice.

- 4.10 Section 151 of the 1972 Local Government Act requires that every local authority shall make arrangements for the proper administration of its financial affairs. This includes maintaining strong financial management underpinned by effective financial controls and an adequate and effective system of internal audit. The Section 151 Officer also has to produce Financial Regulations for adoption by the Council. The adequacy and appropriateness of the Council's financial and other systems is independently monitored by both Internal and External audit.
- 4.11 Arrangements are in place, and will continue to be developed, which encourage the secure exchange of information/data between the Council and other Government agencies on national and local fraud and corruption activity. All such arrangements will adhere to Data Protection legislation.

## **5.0 DETECTION AND INVESTIGATION**

- 5.1 The Council undertakes specific tests or initiatives to detect fraud, such as the data matching as part of the National Fraud Initiative (NFI) which is mandatory for district councils.
- 5.2 Employees are required to report matters of genuine concern to their managers or supervisors. The Council's Whistle-blowing Policy provides a framework for reporting, investigating and following up such concerns.
- 5.3 Where it appears that a potential fraud or financial impropriety has occurred this must be reported to Internal Audit, the Section 151 Officer and where an employee is involved the Group HR Manager or where a councillor is involved the Monitoring Officer. An audit investigation will then commence.
- 5.4 Internal Audit is responsible for the initial receipt and investigation of any allegations of fraud or corruption received. Internal Audit will ensure that potential fraud or irregularity is responded to promptly and discreetly;
- All evidence is recorded;
  - Evidence is sound and adequately reported;
  - All evidence is held securely;
  - The Council's insurance section is notified where appropriate;
  - Findings are reported promptly to management; and
  - Further action is taken, where appropriate
- 5.5 Depending on the nature and extent of the allegations, Internal Audit works closely with management and other agencies such as the Police to ensure all allegations and evidence are properly investigated and reported upon.

- 5.6 The Council's Disciplinary Procedures are used where any investigation indicates improper conduct on the part of staff. Disciplinary action may be taken in addition to, or instead of, criminal proceedings, subject to the advice of the Human Resources Section.
- 5.7 The Council's Communications Team will liaise with the press to publicise any anti-fraud and corruption initiatives undertaken by the Council.

## **6.0 POLICIES**

- 6.1 The Whistle-blowing and Anti-Money Laundering Policies are on the Governance pages of SharePoint. See also the Financial Regulations, section 18 in particular, on the Finance pages of SharePoint and the website.
- 6.2 When a new member of staff commences employment with the Council they will receive induction training and be made aware that these policies are available.

# Anti-Money Laundering Policy 2018



## 1.0 WHAT IS MONEY LAUNDERING?

- 1.1 Money Laundering can be defined as “the crime of moving money that has been obtained illegally through banks and other businesses to make it appear that the money has been obtained legally”.
- 1.2 When the Council (or any of its employees or Members) is accepting or dealing with money or other assets there is a risk that such money or assets could come from a criminal source. In the vast majority of cases this is unlikely, but everyone should bear in mind that they could contravene the law if they become aware of or suspect criminal activity and continue to be involved in the matter without reporting their concerns.

## 2.0 RECOGNISING MONEY LAUNDERING

- 2.1 Possible indicators of money laundering may include:
- Cash based businesses which are more likely to add criminal funds to legitimate business takings
  - Large cash receipts generally
  - A person who is reluctant to supply evidence of identity or address
  - Large overpayment of fees or money on account
  - Cancelled transactions without good reason, requiring a repayment
  - Requests to forward balances on to a third party
  - Information received about an individual which may reveal criminality or association with criminality
  - The use of over complicated financial systems or funds received from third parties
  - A buyer’s or seller’s financial profile not “fitting” the transaction they are undertaking
  - Unexplained use of an out of area solicitor/agent in relation to a property transaction
- 2.2 This list is not exhaustive but simply gives examples of when employees should consider whether their suspicions should be aroused.
- 2.3 Such circumstances should suggest to the employee that they should be asking themselves questions such as e.g. *Would I expect this individual to have this amount of cash; why do they wish to pay in cash; why is this person offering to pay more than the going rate for this item/service, etc.*

# Anti-Money Laundering Policy 2018



## 3.0 LEGISLATION RELATING TO MONEY LAUNDERING

3.1 Legislation concerning money laundering has broadened the definition of money laundering and increased the range of activities caught by the statutory framework. The obligations impact on areas of local authority business and require local authorities to establish internal procedures to prevent the use of their services for money laundering.

3.2 There are several pieces of legislation relating to money laundering which include:

- The Terrorism Act 2000 (Amendment) regulations 2007
- The Anti-Terrorist Crime and Security Act 2001
- The Proceeds of Crime Act 2002(Amendment) Regulations 2007
- Serious Organised Crime and Police Act 2005
- Money Laundering Regulations 2007

3.3 This policy needs to be considered in conjunction with the Whistle-blowing and Anti-Fraud and Corruption Policies.

## 4.0 PURPOSE AND SCOPE OF THE POLICY

4.1 The policy aims to maintain the high standards of conduct which currently exist within MDDC by preventing criminal activity through money laundering.

4.2 The legislative requirements concerning anti-money laundering procedures are extensive and complex. This policy has been written so as to enable the Council to meet the legal requirements in a way which is proportionate to the very low risk to the Council of contravening this legislation.

4.3 This policy applies to all employees (including agency staff and contractors) and elected Members. The objective of this policy is to make all employees aware of their responsibilities and the consequences of non compliance. Service Managers must ensure that all employees are aware of this policy.

4.4 An employee could potentially be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way and/or do nothing about it – e.g. if they:

- Assist a money launderer
- Knowingly prejudice a money laundering investigation
- Fail to disclose knowledge or a suspicion of money laundering
- Acquire, use or possess criminal property

# Anti-Money Laundering Policy 2018



4.5 Whilst the risk to the Council of contravening the legislation is low, it is extremely important that all employees are familiar with their legal responsibilities. Employees contravening the legislation can be faced with imprisonment (up to 14 years), a fine or both.

4.6 Failure by an employee to comply with the procedures set out in this policy may lead to disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with the Council's Disciplinary Procedure.

## 5.0 REPORTING/DISCLOSING INFORMATION

5.1 If an employee/Member suspects money laundering then they must report their suspicions to the Group Manager for Performance, Governance and Data Security who is the Council's Money Laundering Reporting Officer (MLRO). In such circumstance, no money may be taken from the suspected person(s) or company until this has been done.

5.2 In the event that the Group Manager for Performance, Governance and Data Security is not available then the disclosure must be made to the Director of Finance (Section 151 Officer).

5.3 The employee/Member will need to supply as much information as possible to the Group Manager for Performance, Governance and Data Security about the individual or company concerned i.e. name, address and their reasons for suspicion. If any other employees/Members have been involved with the transaction the names of these persons should also be included.

5.4 Any disclosures must be reported using the form at the end of this Policy. Upon receiving the completed form the MLRO will consider all of the admissible information in order to determine whether there are grounds to suspect money laundering. If the MLRO determines that the information or matter should be disclosed it will be reported to the National Crime Agency (NCA) that deals with money laundering.

5.5 No discussion with colleagues should take place regarding disclosure. Disclosures should be kept confidential. It is important to ensure that the person(s) suspected of money laundering is not "tipped off" regarding the disclosure. It is an offence to prejudice an investigation by informing anyone of the disclosure or by tampering with evidence. If found guilty there is a punishment of up to 5 years in prison.

# Anti-Money Laundering Policy 2018



## 6.0 AFTER DISCLOSURE

- 6.1 Employees/Members making a disclosure report to the Group Manager for Performance, Governance and Data Security as the MLRO of the Council will be informed if a suspicious activity report is made to the NCA.
- 6.2 Where it is suspected that money laundering is involved no transactions can be completed until clearance has been received from the NCA, or seven days have elapsed since the disclosure was made to them and no instructions have been received. Employees must always check the position with the MLRO before taking any action.

# Anti-Money Laundering Policy 2018



## DISCLOSURE FORM TO MONEY LAUNDERING REPORTING OFFICER

Please complete and return to the **Group Manager for Performance, Governance and Data Security**

<b>Details of Employee/Member</b>	
Date of Disclosure	
Date of Event	
Name of person making the disclosure	
Job title	
Service Area	
Contact details (email address and telephone number)	
<b>Details of Suspected Offence</b>	
Full name of person(s) subject to inquiry <i>(include title, surname and forename)</i>	
Address	
Date of Birth	
Details of identification (if known)	
<b>In the case of a legal entity (Company)</b>	
Name of company	
Address of company	
Company Number (if known)	
Type of business	

# Anti-Money Laundering Policy 2018



VAT number (if known)	
Any other details you have about the person(s) or company that may be relevant	
<b>Reason for Disclosure</b>	
Please provide an explanation of the nature of the activity and amounts. If you know or suspect what offence is being committed please provide details	
Have you discussed your suspicions with anyone else? If so, please list	
<b>Received by Money Laundering Reporting Officer (MLRO)</b>	
Reference	
Date	
Signature	
Print Name	

## AUDIT COMMITTEE 20 NOVEMBER 2018

### DATA QUALITY POLICY

**Cabinet Member** Cllr Peter Hare-Scott  
**Responsible Officer** Group Manager for Performance, Governance and Data Security, Catherine Yandle

**Reason for Report:** To present the Committee with the Data Quality Policy and Data Quality Standards

**RECOMMENDATION(S):** (a) That the Committee approves the Data Quality Policy and Data Quality Standards and (b) agrees to next review the Policy in 4 years' time

**Relationship to Corporate Plan:** This policy forms an integral part of measuring the Council's performance against the Corporate Plan

**Financial Implications:** None

**Legal Implications:** None

**Risk Assessment:** Data is a key asset and failure to have effective data quality arrangements in place could mean that decisions and conclusions could be drawn from data that is inaccurate and out of date.

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

#### 1.0 Introduction

1.1 Data is one of the Council's most important assets we want to be sure that information on which we base decisions and inform our planning is robust. Good quality data is an essential ingredient for the production of reliable information which is used to inform the decision making process.

1.2 The purpose of this report is to provide the Committee with the Data Quality Policy (Appendix A) and Data Quality Standards (Appendix B), which outline the roles and responsibilities for data quality within the Council and also provides clarification for officers and members as to the standards expected.

1.3 There are no major changes to the policy since it was last approved by the Audit Committee in December 2014.

#### 2.0 Conclusion

2.1 That the Committee approves the Data Quality Policy and Data Quality Standards and agrees to next review the Policy in 4 years' time (in line with the corporate policy framework).

**Contact for more Information:** Catherine Yandle Group Manager for Performance, Governance and Data Security ext 4975

**Circulation of the Report:** Leadership Team and Cabinet Member

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# Data Quality Policy

## 1.0 Introduction

1.1 This policy sets out Mid Devon District Council's approach to data quality. By 'data' we mean the basic facts from which information can be produced by processing or analysis. Data is one of the Council's most important assets – it is extremely important as we want to be sure that information on which we base decisions and inform our planning is robust.

1.2 Data Quality underpins the Council's corporate plan and priorities:

- Environment
- Economy
- Homes
- Community

1.3 Producing data that is fit for purpose should not be an end in itself, but an integral part of the Council's operational, performance management, and governance arrangements. Consistent, high-quality, timely and comprehensive information is vital to support good decision-making and to improve service outcomes.

1.4 This document outlines the steps necessary to maintain the highest possible standards throughout the processes that result in recognisable performance information. It should be read in conjunction with the Data Quality Standards document (Appendix B).

1.5 The risk in not identifying and addressing weaknesses in data quality, or the arrangements that underpin data collection and reporting activities, is that information may be misleading, decision making may be flawed, resources may be wasted, poor services might not be improved, and policy may be ill-founded. There is also a danger that good performance may not be recognised and rewarded.

## 1.6 Summary Statement

**Mid Devon District Council is committed to high standards of data quality. Every care will be taken to ensure that the data and information used throughout the organisation and in particular in performance management is accurate, valid, timely, relevant, secure, accessible and complete.**

# Data Quality Policy

## 2.0 What makes good quality data?

2.1 There are six key characteristics that describe data quality (taken from the Audit Commission publication titled *'Improving information to support decision making: standard for better quality data'*). These characteristics can help the Council and its partners assess the quality of data and take action to help address potential weaknesses:

- Accuracy
- Validity
- Reliability
- Timeliness
- Relevance
- Completeness

## 2.2 Accuracy

Data should be:

- Sufficiently accurate for its intended purpose;
- Providing a fair picture of performance and should enable informed decision making;
- Captured once only and be right first time; and
- Captured as close to the point of activity as possible i.e. within the relevant service area

The need for accuracy must be balanced with the importance of the uses for the data, and the costs and effort for collection. For example, it may be appropriate to accept some degree of inaccuracy (i.e. an estimated figure) where timeliness is important. Where compromises are made on accuracy, the resulting limitations of the data must be made clear to the users of the data.

## 2.3 Validity

Data should be recorded and used in compliance with relevant requirements, including the correct application of any rules or definitions, e.g. nationally required data. This will ensure consistency between periods and with similar organisations, measuring what is intended to be measured.

## 2.4 Reliability

Data should reflect stable and consistent data collection processes across a collection of points over time, whether using a manual or computer based system, or a combination of the two. Where the data collection method is changed the user of the data must be informed in

# Data Quality Policy

order to ensure that they are aware of any potential variations in the data.

## 2.5 Timeliness

Data must be captured as soon as possible after the event or activity and must be available for the intended use within a reasonable time period. Data must be available quickly and frequently enough to support information needs and to influence service or management decisions.

## 2.6 Relevance

Data captured should be relevant to the purposes for which it is used. To ensure that this is the case a periodic review of requirements should be undertaken to reflect any changing needs.

The users of the data should also be contacted on a periodic basis to ensure that the information meets their needs, contains the correct level of detail and is in the best format to enable effective decision making.

## 2.7 Completeness

Data requirements should be clearly specified based on the information needs of the Council and data collection processes matched to these requirements. Monitoring missing, incomplete, or invalid records can provide an indication of data quality and can also point to problems in the recording of certain data items.

2.8 In the case of all six of the key principles listed above, a robust quality assurance and checking process is required to ensure the quality of data. This is covered in detail in the Data Quality Standards (Appendix B).

## 3.0 Locally Defined Data Quality Standards

3.1 The following best practice data quality standards have been developed to assist those responsible for managing and using data:

- Awareness
- Definitions
- Input
- Verification
- Systems
- Output
- Presentation
- Data Security

# Data Quality Policy

3.2 The standards are covered in more detail in the Data Quality Standards document (Appendix B).

## 4.0 Roles and Responsibilities

4.1 The following groups and individuals have roles and responsibilities for data quality within the Council:

4.2 The **Audit Committee** will approve the Data Quality Policy and Data Quality Standards, as well as any subsequent revisions. It will also take appropriate action to ensure that data quality is embedded throughout the Council.

4.3 The **Chief Executive** is the officer Data Quality Champion and has senior management responsibility for data quality.

4.4 The **Finance Cabinet Member** will:

- Communicate the importance of data quality to other Members
- Support the implementation of the proposed annual work programme
- Act as a sounding board and provide a critical friend challenge to the data quality process

4.5 The **Group Manager for Performance, Governance and Data Security** is responsible for the overall quality and audit of data within the Council in order to provide the Council with an adequate level of assurance. She is the key contact point for any data quality queries and is responsible for data quality checking all relevant Committee reports containing data.

4.6 **Group Managers and their Service Managers** will be responsible for:

- Communicating the importance of data quality to all officers within their service area
- Ensuring that data quality responsibilities are reflected in the job descriptions and performance objectives of relevant officers within their team and that any training and development needs are identified and addressed through the supervision and appraisal process.
- Leading the data quality process within their service areas and ensuring that there are adequate systems and procedures in place to meet the Council's data quality standards outlined in Appendix B

# Data Quality Policy



- Ensure that any data that is provided by third parties such as contractors or partnerships meets the same standard as the Council's data
- Ensure that data quality is included in any protocols drawn up for the sharing of services with other councils if and when it becomes appropriate

4.7 All **employees** who input, store, retrieve or otherwise manage data are responsible for ensuring that the data is of the highest quality and that they comply with this policy and the Data Quality Standards document. It is also their responsibility to inform their Service Manager if they think they need any training and support.

## 5.0 Embedding the Council's Data Quality Arrangements

- 5.1 The Data Quality Standards (Appendix B) outline details on embedding Data Quality within the Council.
- 5.2 The Audit Committee will receive data quality awareness training and will also be made aware of any issues relating to Data Quality as and when appropriate.

# Data Quality Standards

## 1.0 Locally defined Data Quality Standards

1.1 As outlined in section 3 of the Data Quality Policy, the Council has locally defined the following Data Quality Standards:

- **Awareness:** everyone recognises the need for good quality data and how they can contribute;
- **Definitions:** everyone knows which performance indicators are produced from the information they input and how they are defined;
- **Input:** there are controls over input, especially that information is input on an ongoing basis, rather than being stored up to be input at a later date
- **Verification:** there are verification procedures in place as close to the point of input as possible;
- **Systems:** are fit for purpose and staff have expertise to get the best out of them;
- **Output:** performance indicators (and other data) are extracted regularly and efficiently and communicated in a timely manner whether it be for Mid Devon District Council Services, Partnerships or Shared Services;
- **Presentation:** annual performance indicators (and other data) are presented, with conclusive evidence, in such a way as to give easily understood and accurate information to those users who are making decisions.
- **Data Security:** data is to be handled and stored in a secure manner to ensure that the Council's policies and procedures in relation to data protection, information security and the government connect Code of Compliance? are adhered to.

1.2 The information in this Standard uses performance information as an illustrative example but these standards apply to all types of data and information that is produced by the Council.

## 2.0 Awareness

2.1 Data Quality is the responsibility of all members of staff inputting, storing, retrieving or otherwise managing data from any of the Council's information systems, whether manual or computerised.

## Data Quality Standards

- 2.2 All service managers are responsible for communicating the importance of data quality to all officers within their service area and to ensure that any training and development needs are raised.
- 2.3 The Data Quality Policy and Data Quality Standards will be accessible through the Governance pages on Sharepoint.
- 2.4 Where appropriate the importance of data quality will be discussed at staff briefings and in features in 'the link'.
- 2.5 Member briefing sessions will be held to make members more aware of the importance of data quality.

### **3.0 Definitions**

- 3.1 All relevant officers must know how their day-to-day job contributes to the calculation of performance indicators, and how lapses could either lead to errors or delay in reporting, both of which limit our ability to manage performance and make decisions effectively.
- 3.2 This means that an understanding is needed of any performance indicators affected by the data contributed by the officer. A basic grasp might be, for example, knowledge of what the numerator and denominator is, and whether there are any important technical guidelines (for example, the exclusion of certain cases). This will normally be easier to communicate if officers understand the purpose of the indicator, or the policy it is meant to monitor.
- 3.3 Where we are required to provide data and information to the Government (or relevant government department) whether through nationally set performance indicators or data returns it is important that the details provided are accurate and in line with the required guidance.
- 3.4 Where we are setting local performance indicators we need to ensure that we have established a clear definition and that there are systems available to collect and report the data in an agreed format. In particular, we need to be clear about whether target and outturn figures refer to a snapshot or cumulative position.
- 3.5 In some cases there are a number of similar indicators measuring the same thing in slightly different ways. It is important to ensure that separate figures are calculated and reported systematically for each definition.
- 3.6 Every performance indicator has a named officer who is responsible for collecting and reporting the information. This ensures that there is consistency in the application of definitions and use of systems for

# Data Quality Standards

providing the data. Each named officer is kept up to date of any changes in definition that may occur from time to time and the guidance can be found on the Governance pages of Sharepoint.

## 4.0 Input

- 4.1 There must be adequate controls over the input of data. Systems-produced figures are only as good as the data input into that system in the first place. The aim should be 100% accuracy 100% of the time. It is important that officers are given clear guidelines and procedures for using systems and are adequately trained to ensure that information is being entered consistently and correctly.
- 4.2 A key requirement is that data should be entered on an ongoing basis, not saved up to be entered in a block at the end of a period. This reduces the error rate and the need for complex verification procedures. It also means that up-to-date information is available at all times.
- 4.3 Controls must be in place to avoid double-counting. These must be designed according to the nature of the system, in particular where more than one person inputs data. A likely control will be an absolutely clear division of responsibility setting out who is responsible for what data entry.
- 4.4 The system must also record all relevant information. Individual systems need to be evaluated to determine whether additional controls are necessary. An additional control would be necessary if there is any way, theoretically, that a relevant case could exist without being captured by the current system.

## 5.0 Verification

- 5.1 Data requirements should be designed along the principle of 'getting it right first time' in order to avoid waste in the form of time and money spent on cleansing data, interfacing between different information systems, matching and consolidating data from multiple databases, and maintaining outdated systems.
- 5.2 Nevertheless, in complex systems, even where there are strong controls over input, errors can creep in. Where it is needed, a verification procedure should exist close to the point of data input. The frequency of verification checks must be aligned with the frequency of data reporting.

## Data Quality Standards

- 5.3 The simplest verification system might be a review of recent data against expectations, or a reconciliation of systems-produced data with manual input records. Depending on the complexity of the system, it might be necessary to undertake more thorough verification tasks, such as:
- data cleansing, e.g. to remove duplicate records or to fill in missing information;
  - sample checks to eliminate reoccurrence of a specific error, e.g. checking one field of data that is pivotal to a performance indicator against documentation, for a sample of cases;
  - test run of report output, to check the integrity of the query being used to extract data e.g. for Business Objects reports;
  - spot checks, e.g. on external contractor information.
- 5.4 Particular attention needs to be paid to data provided by external sources. A number of performance indicators are calculated using information provided by contractors/partners and the Council must work alongside contractors/partners to ensure that such data is accurate.
- 5.5 When entering into contacts with service providers it is essential that, wherever relevant, there is a requirement to provide timely and accurate performance information. We must also be clear with the contractor about their responsibilities for data quality and how we will be checking the information they provide.
- 5.6 It might not always be possible to alter existing contracts so that contractors are fully committed to providing an agreed quantity of performance data. In this case, the data must be treated as high-risk and thought must be given to establishing a system of checks and measures to ensure that we are confident about the accuracy of this data. When carrying out checks on such information it is essential that this is documented and signed off by the relevant officer.
- 5.7 Some important information – for example, community safety statistics – is provided directly to the Council by external agencies. The initial priority of this strategy is to address shortcomings in performance information provided directly by and to us, but where concerns exist about the integrity of externally provided information, the Council's intention is to work with other agencies constructively wherever possible to provide assurance and rectify any problems identified. Where the data from an external source is used in a Committee Report or public document the writer must always give the source of where the data has come from.

## Data Quality Standards

5.8 Responsibility for initial data verification will lie within Departments, but Internal Audit can offer advice and guidance about the adequacy of verification procedures. However, where data is being provided to members for decision making purposes, the Committee report and any accompanying papers must be completed and forwarded to Governance for data quality assurance checking and sign off prior to the agenda being dispatched.

5.9 Internal Audit also provides the Council with a corporate overview as to the adequacy of the Council's arrangements in relation to Data Quality.

### 6.0 Systems

6.1 Each system must have a named officer responsible for data quality issues. The responsible officer would be required to ensure that:

- the data collection/collation/calculation process is accurately mapped and a set of written procedures (user guides) exists for the purpose of inputting and extracting performance information. This must be regularly updated to reflect any system changes;
- regular quality assurance checklists must be completed for all information systems and any identified risks should be promptly addressed;
- users are adequately trained, where appropriate by having a formal training programme which is periodically evaluated and adapted to respond to changing needs;
- information management and support is available to users;
- system upgrades are made where necessary (including to accommodate amendments to PI definitions);
- the system meets managers' information needs;
- feedback from users is acted upon;
- the system can produce adequate audit trails;
- actions recommended by system reviews (e.g. by the external auditors) are implemented;
- a business continuity plan for the system exists to protect vital records and data.

6.2 There must also be a named substitute officer who can deputise in the data quality lead's absence by (at least) maintaining the day-to-day functionality of the system. Given the increasingly demanding timescale for performance reporting, the Council cannot afford to have systems lying dormant during unplanned absences. It is, therefore, also essential that written procedures are designed so that another

## Data Quality Standards

officer can carry out the procedures essential to providing performance information if the officer who normally performs these duties is absent.

- 6.3 The paragraphs above detail an approach to ensure that systems data quality is maintained, but there will be systems where work has to be undertaken to rectify gaps in the control environment. To identify these systems there needs to be a co-ordinated evaluation of every information system used in the Council to produce performance information, including:
- the identity of the officer responsible for the system and their substitute officer;
  - a central co-ordinator, who will be the Group Manager for Performance, Governance and Data Security, will ensure that there is a central register detailing all systems and responsible officers;
  - a summary of data quality and verification actions undertaken;
  - risk assessments undertaken.
- 6.4 Assessments of 'High Risk' conditions will include:
- a high volume of data/transactions;
  - technically complex performance indicator definition/guidance;
  - problems/risks identified in previous years;
  - inexperienced staff involved in data processing/performance indicator production;
  - system being used to produce a new performance indicator;
  - changes to the system or staffing;
  - known gaps in the control environment.
- 6.5 The purpose of undertaking a risk assessment is to target limited resources at the areas that require most attention.
- 6.6 Where high-risk systems have been identified for attention, the following steps will need to be taken:
- analysis of the control environment;
  - identification of gaps;
  - design of mitigating controls and procedures to address gaps;
  - preparation of an action plan which lists responsible officers and target dates;
  - monitoring the implementation of the action plan

# Data Quality Standards

## 7.0 Output

- 7.1 Best use can be made of performance data if it is produced and communicated on a timetable that allows for management comment and action.
- 7.2 It is important that performance information is subject to scrutiny and quality checking in order for it to be challenged before being passed up the line for management action.
- 7.3 Where the data is being presented to members in the form of a committee report, the report and any accompanying papers must be submitted to Governance (in the same way that Legal and Financial Services receive relevant Committee reports) in order for the data to be quality assurance checked and signed off prior to the Committee report agenda being dispatched.

## 8.0 Presentation

- 8.1 Reporting accurate and timely information leads to good decision-making and improved performance. For a large proportion of performance information, that performance will only be recognised publicly if it can be substantiated by external bodies.
- 8.2 If the controls listed in this document are in place, stakeholders will be able to have a greater degree of confidence in the information that is presented by the Council.
- 8.3 It is of paramount importance that data is presented to the user clearly to show whether performance is getting better or worse and whether it is on, above or below target. There must be clear explanatory notes where there are variances, particularly where performance is getting worse or is below target.

## 9.0 Data Security

- 9.1 The Council has the following policies which are to be read in conjunction with this Policy:
  - Data Protection Policy
  - Freedom of Information Policy
  - Information Security Policy
  - Information Security Incident Policy

Internal Audit

# Audit Progress Report 2018-19

Mid Devon District Council  
Audit Committee

Page 277  
November 2018

Robert Hutchins  
Head of Audit Partnership

Auditing for achievement

Agenda Item 10.

## Introduction

The Audit Committee, under its Terms of Reference contained in Mid Devon District Council's Constitution, is required to consider the Chief Internal Auditor's annual report, to review and approve the Internal Audit programme, and to monitor the progress and performance of Internal Audit.

The Accounts and Audit (Amendment) (England) Regulations 2015 introduced the requirement that all Authorities need to carry out an annual review of the effectiveness of their internal audit system, and need to incorporate the results of that review into their Annual Governance Statement (AGS), published with the annual Statement of Accounts.

The Internal Audit plan for 2018/19 was presented and approved by the Audit Committee in March 2018. The following report and appendices set out the background to audit service provision; a review of work undertaken in 2018/19, and provides an opinion on the overall adequacy and effectiveness of the Authority's internal control environment.

The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual report providing an opinion that can be used by the organisation to inform its governance statement. This report provides that opinion.

### Expectations of the Audit Committee from this progress report

Audit Committee members are requested to consider:

- the assurance statement within this report;
- the basis of our opinion and the completion of audit work against the plan;
- the scope and ability of audit to complete the audit work;
- audit coverage and findings provided;
- the overall performance and customer satisfaction on audit delivery.

In review of the above the Audit Committee are required to consider the assurance provided alongside that of the Executive, Corporate Risk Management and external assurance including that of the External Auditor as part of the Governance Framework and satisfy themselves from this assurance that the internal control framework continues to be maintained.

**Robert Hutchins**  
**Head of Devon Audit Partnership**

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## Opinion Statement

**Overall, based on work performed during 2018/19 and our experience from the current year progress and previous years' audit, the Head of Internal Audit's Opinion is of "Significant Assurance" on the adequacy and effectiveness of the Authority's internal control framework.**

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

Internal Audit assesses whether key, and other, controls are operating satisfactorily within audit reviews, and an opinion on the adequacy of controls is provided to management as part of the audit report. All final audit reports include an action plan which identifies responsible officers, and target dates, to address control issues identified. Implementation of action plans is the responsibility of management yet may be reviewed during subsequent audits or as part of a specific follow-up process. Directors and Senior Management have been provided with details of Internal Audit's opinion on each audit review to assist them with compilation of their individual annual governance assurance statements at year end.

Full Assurance	Risk management arrangements are properly established, effective and fully embedded, aligned to the risk appetite of the organisation. The systems and control framework mitigate exposure to risks identified & are being consistently applied in the areas reviewed.
<b>Significant Assurance</b>	Risk management and the system of internal control are generally sound and designed to meet the organisation's objectives. However, some weaknesses in design and / or inconsistent application of controls do not mitigate all risks identified, putting the achievement of particular objectives at risk.
Limited Assurance	Inadequate risk management arrangements and weaknesses in design, and / or inconsistent application of controls put the achievement of the organisation's objectives at risk in a number of areas reviewed.
No Assurance	Risks are not mitigated and weaknesses in control, and /or consistent non-compliance with controls could result / has resulted in failure to achieve the organisation's objectives in the areas reviewed, to the extent that the resources of the Council may be at risk, and the ability to deliver the services may be adversely affected.

## Executive Summary of Audit Results

**Core Audits** we progressing work covering the Council's key financial controls or where the level of income is material in the context of the Council's annual accounts this. This is earlier than historically but we feel may better suit work flows.

The Findings of particular interest include:

- there remain no major concerns on controls from the reviews completed.

No material issues have been identified to date.

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

Findings of particular interest include the opportunity to improve management level control particularly in performance monitoring which has received increased focus from Leadership and received comment in recent audit reviews including that of procurement here..

Reviews in other areas including:

- leisure services income banking and reconciliation controls;

provide assurance of an sound internal control framework that is generally operating as required across the leisure sites.

### Other Work

- Risk Management
- Assurance Mapping (see appendices 3 & 4)
- Counter Fraud Services

We are currently considering risk management arrangements and how this links to the assurance mapping for the Authority. We have included some examples here for consideration by the Audit Committee on how this could look.

Tender documents have been verified as usual.

## Value Added

We know that it is important that the internal audit service seeks to "add value" whenever it can and we believe internal audit activity has added value to the organisation and its stakeholders by:

- Providing objective and relevant assurance;
- Contributing to the effectiveness and efficiency of the governance, risk management and internal control processes.

Feedback has led us to change the clearance process of audit findings with the introduction of a debrief at the close of audit. This will bring the feedback to an earlier stage and smooth the clearance process of the draft report.

Recent audit feedback surveys have stated:-

*"very sensible and professional recommendations"*

*"in-depth review of support service handling of garden waste permits"*

*"audit support enable change to be implemented"*

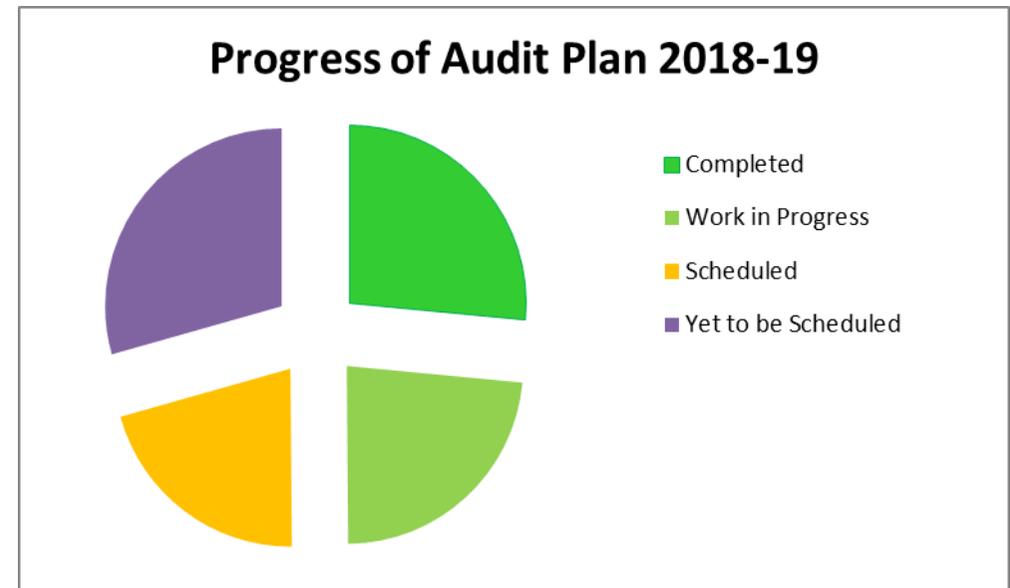
We trust that officers have found our engagement, support as a "trusted advisor" effective and constructive in these significantly changing times.

## Audit Coverage and Performance Against Plan

Performance against plan is generally as expected with the larger proportion of the work to be completed in the second half of the year. We are now back to a full compliment of staff and have scheduled a significant part o the remaining work plan for the year. As agreed at the last audit Committee it is expected that DAP will complete the significant part of the audit plan (85%) within the budget envelope recognising that there is additional cost to maternity cover. This adjustment has been agreed with management, work will be prioritised to the core financial systems and the key risks in other areas. The proposed audits to be deferred to the next years audit planning process are job evaluation system, Culm Valley Project, benefits realisation reporting and asset management plan.

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

Appendix 1 to this report provides a summary of the audits undertaken since our last progress report in 2018/19, along with our assurance opinion. Where a "high standard" or "good standard" of audit opinion has been provided we can confirm that, overall, sound controls are in place to



mitigate exposure to risks identified; where an opinion of "improvements required" has been provided then issues were identified during the audit process that required attention. We have provided a summary of the key issues reported. We are content that management are appropriately addressing these issues.

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

## Fraud Prevention and Detection

We are agreeing ways to support the Authority on its review of single persons discount for council tax.

**Customer Satisfaction** – survey returns score 98% satisfaction year to date.

## Appendix 1 – Summary of audit reports and findings for 2018/19

### Risk Assessment Key

Spar – Local Authority Risk Register score Impact x Likelihood = Total & Level  
 ANA - Audit Needs Assessment risk level as agreed with Client Senior Management  
 Client Request – additional audit at request of Client Senior Management; no risk assessment information available

### Direction of Travel Assurance Key

Green – action plan agreed with client for delivery over an appropriate timescale;  
 Amber – agreement of action plan delayed or we are aware progress is hindered;  
 Red – action plan not agreed or we are aware progress on key risks is not being made.  
 \* report recently issued, assurance progress is of managers feedback at debrief meeting.

Risk Area / Audit Entity	Audit Report					
	Assurance opinion	Executive Summary / Residual Risk	Summary of Recommendations High / Med / Low		Direction of Travel Assurance	
<b>Core Audit – Key Financial Systems</b>						
<b>Housing Benefits</b> Risk / ANA: ANA – Medium Spar 4x3=12 Medium / Orange	Good Standard  Status: Final	Procedures for monitoring performance e.g. number of days to process new claims and changes of circumstances operate to a high standard and are carried out on a regular basis. The process for the annual uprating is robust and a high level of assurance can be given that the controls in place ensure that the uprating is carried out in a timely manner and is accurate. Monitoring of accuracy of processing Housing Benefit claims has been carried out on a regular basis by the Benefits Supervisors. The roll out of Universal Credit has been the subject of extensive planning by the Housing Benefits Section no material concerns were noted.	0	2	1	
<b>Risk Based Reviews</b>						
<b>Procurement</b> Risk / ANA: ANA – Med Spar	Good Standard  Status: Final	Mid Devon District Council is a member of Devon District Procurement Group; the local authorities involved have all adopted their Procurement Strategy (2015 - 2018). Operationally, there is a sound control framework for procurement and the contract tendering process which ensures compliance with legislation. Evidence obtained during the audit demonstrated that many of the objectives under the themes highlighted in the DDPG strategy have been achieved. However, although performance is monitored at officer level there is limited formal reporting of outcomes and benefits realisation to Leadership and Members.  The Authority does not, however, have a corporate procurement strategy to align its corporate objectives with procurement needs and to enable the Authority to monitor and measure success against the corporate aims and service priorities. This is mitigated to some extent where the Procurement Manager and Procurement and Contracts Officer are in regular liaison with departments to help identify, and encourage early engagement in relation to the purchase of goods, works and services. This assists in ensuring that procurement rules and legislation are complied with.	1	6	0	

Risk Area / Audit Entity	Audit Report					
	Assurance opinion	Executive Summary / Residual Risk	Summary of Recommendations High / Med / Low			Direction of Travel Assurance
<b>Culm Valley Leisure Centre</b>  Risk / ANA: ANA – Low  Spar: - Health and Safety related	Good Standard  Status: Final	Controls in place for cashing up and security of cash at CVSC operate effectively although, there is increased risk in income management where supervision of income reconciliation is not effective.  There is clear evidence in specific circumstances that mandatory training has been completed although not in all cases. Management control records over mandatory training of staff are ineffective to demonstrate training received and required and reduce assurance that can be given.	0	6	0	

The following audits have been completed:  
 - draft reports are being prepared – Council Tax and NNDR

The following audits are in progress VAT partial exemption, Cyber Security and computer systems, Construction Design and Management in housing repairs and maintenance.

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

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

## Appendix 2 – Performance Indicators

Incomplete Audits	Year	Recommendations									Direction of Travel R,A,G	Comments			
		High			Medium			Low					Total		
		C	N	O	C	N	O	C	N	O			C	N	O
Creditors	2017	1			1	1		1			3	0	1	↑G	System accountant recently appointed and will progress with the invoice scanning project asap
Housing Benefits	2018				2			1			0	3	0	↑G	
Income & Cash Collection	2017				1	2		1	1		1	2	2	↔A	These 2 outstanding recommendations may not be pertinent now due to change over to Council going cashless
Main Accounting System	2017				3	1		1			4	1	0	↑G	
Payroll	2017	2	1		5	2					7	3	0	↑G	
Treasury	2017	2			1	1					3	0	1	↑G	Delegation of powers need to be formalised
Appraisals & Training	2015	1			13	1		2			16	0	1	↔A	Setting of performance indicators
Care Services - Alarm Call	2017	2	1	1	3						5	1	1	↑G	Data sharing agreement - in progress for completion Nov 2018
Customer Care & Complaints	2017				5	1		1			6	1	0	↑G	
Development Management S106	2017			2			3				0	0	5	↔A	Progress being monitored by LT. S106 Governance arrangements to be approved by Cabinet
Electronic Payments/ Online Forms	2017	1			1	1					2	1	0	↑G	
Emergency Planning	2015				3	1	1				4	0	1	↑G	Business Continuity Plan - documents available and training provided
Equality Impact Assessment	2018			1	2	1			1		2	0	3	↔A	Incorporated some actions into Customer Engagement Strategy. Attending DCC equality forum 6th Nov. Target to be extended to 31 March 2019.
Housing H&S Management	2017	2			8	1					10	0	1	↑G	Performance indicator are in the process of being set up and scored
ICT Inventory	2017	2			2	2					4	0	2	↑G	
Insurance	2017	1			1	2			1		2	3	0	↑G	
Legal Services	2015				2	2					2	0	2	↔A	Date extended, digital archiving system required
Recruitment, Selection & Succession Planning	2018	1			1	1					2	1	0	↑G	
Safeguarding	2017	1			3	1					4	1	0	↑G	
Sickness & Other Time Off	2016				6	2					6	2	0	↔A	Policy update not yet due
Standby	2016				2	1					2	0	1	↔R	Will be taken into account during a review of the whole Standby service, due by the end of 2018.
Vehicles & Fuel	2015	5			6	1					11	0	1	↑G	Transport policy (fleet management)
		21	2	4	68	14	17	7	3	1	96	19	22		

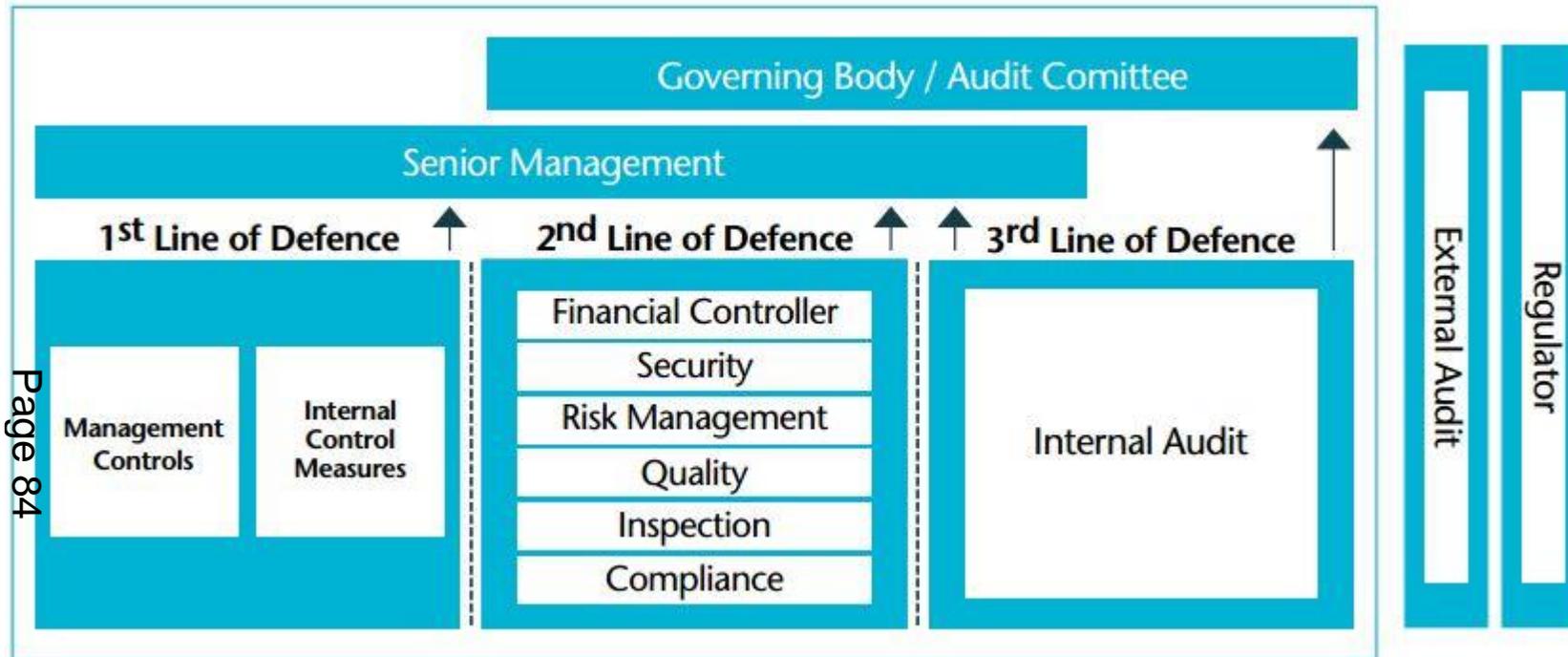
CORE
SYSTEM

**C = Completed** 70%  
**N= Not yet due** 14%  
**O= Overdue** 16%

Not progressing   
 Progressing some overdue   
 On Target   
 \* report just issued

## Appendix 3 - Assurance Mapping

### 3 Lines of Defence Model (source IIA.org.uk)



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#### 1. First line of defence

Under the first line of defence, operational management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks.

#### 2. Second line of defence

The second line of defence consists of activities covered by several components of internal governance (compliance, risk management, quality, IT and other control departments). This line of defence monitors and facilitates the implementation of effective risk management practices by operational management and assists the risk owners in reporting adequate risk related information up and down the organisation.

#### 3. Third line of defence

Internal audit forms the organisation's third line of defence. An independent internal audit function will, through a risk-based approach to its work, provide assurance to the organisation's board of directors and senior management. This assurance will cover how effectively the organisation assesses and manages its risks and will include assurance on the effectiveness of the first and second lines of defence. It encompasses all elements of an institution's risk management framework (from risk identification, risk assessment and response, to communication of risk related information) and all categories of organisational objectives: strategic, ethical, operational, reporting and compliance.

## Assurance Mapping – possible model for Mid Devon

Risk Area	Mitigation Controls								3 <sup>rd</sup> Line defence	External / Regulatory	
	1st Line defence		2 <sup>nd</sup> Line defence						Internal Audit	External Audit	Regulatory Bodies
	Internal Control Measures	Management Controls	Financial Controller	Security	Risk Management	Quality	Inspection	Compliance			
Housing Benefits	G	G	G	-	G	-	-	G	G	G	-
Procurement	G	A	A	-	A	G	-	A	A	-	-
Culm Valley Leisure Centre	G	A	G	G	G	-	A	G	G	-	-
Key Red Amber Green											

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## Devon Audit Partnership

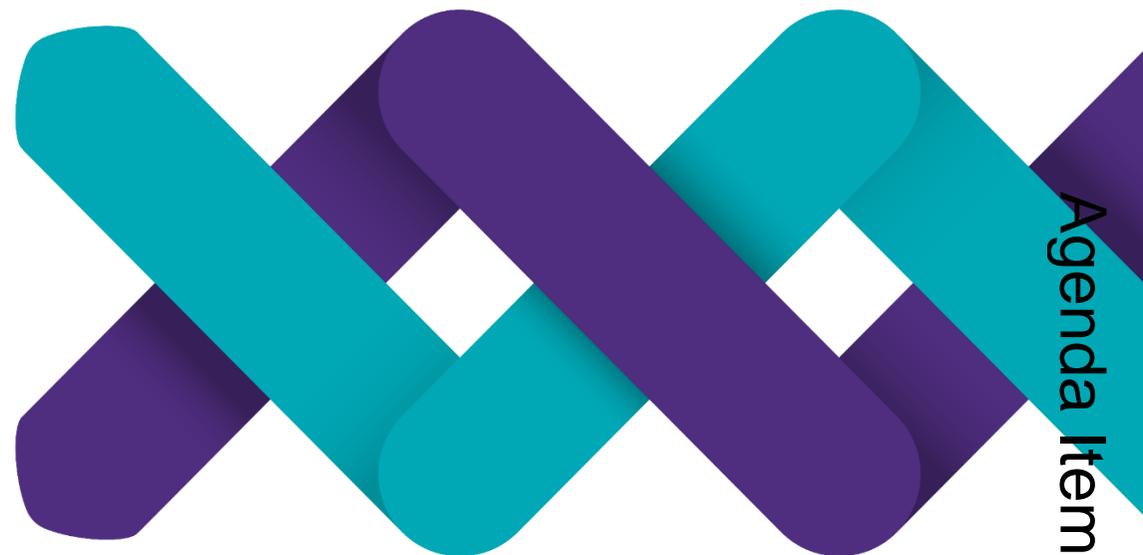
The Devon Audit Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay, Devon & Torridge councils. We aim to be recognised as a high quality internal audit service in the public sector. We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.

The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at [robert.hutchins@devonaudit.gov.uk](mailto:robert.hutchins@devonaudit.gov.uk).

# Audit Progress Report and Sector Update

Mid Devon District Council  
Year ending 31 March 2019

Page 87  
20 November 2018



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# Introduction



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

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority; and
- includes a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)

Members of the Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications. Click on the Grant Thornton logo to be directed to the website [www.grant-thornton.co.uk](http://www.grant-thornton.co.uk).

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

# Progress at November 2018

## Financial Statements Audit

We will commence our planning in December 2018. This will include meetings with officers and review of Council (and other committee) papers.

We will set out audit risks in our Audit Plan and our proposed testing to address each of the risks identified.

Following the publication of our Audit Plan in January 2019, we will undertake an interim audit. This will include:

- Review of the Council's control environment;
- Updating our understanding of the Council's financial systems;
- Review of Internal Audit reports on core financial systems;
- Early work on emerging accounting issues;
- Early substantive testing;
- A detailed review of going concern; and
- A detailed review of significant accounting estimates.

As a firm we are introducing a new audit approach in 2018/19. We will discuss this early with your finance team to ensure they are aware of what is required and what impact this might have.

We will report any findings from the interim audit to you in our Progress Report at the March 2019 Audit committee.

## Value for Money

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

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

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

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

At present the NAO requirements remained unchanged from those in 2017/18.

We plan to undertake our initial risk assessment from December 2018 – January 2019.

We will set out the significant risks in our Audit Plan and report the findings of our work in the Audit Findings Report by the deadline in July 2019.

## Other areas

### Certification of claims and returns

We are required to certify the Council's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the Department for Work and Pensions. This certification work for the 2017/18 claim will be concluded by November 2018. At the time of writing this report we are completing the required extended testing to address errors found in our discovery testing.

The results of the certification work are reported to you in our certification letter in January 2019.

In September 2018 we completed certification work for the Council in relation to funding received from the Homes and Communities Agency. This work has now been concluded and no significant issues were noted.

### Meetings

We will continue to meet regular with the Director of Finance, Assets and Resources and Finance Officers. We will continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective. We will also meet with your Chief Executive to discuss the Council's strategic priorities and plans.

### Events

We provide a range of workshops, along with network events for members and publications to support the Council. We will ensure members and officers receive timely invites to all events. Further details of the publications that may be of interest to the Council are set out in our Sector Update section of this report.

# Audit Deliverables

2018/19 Deliverables	Planned Date	Status
<b>Fee Letter</b> Confirming audit fee for 2018/19.	April 2018	Complete
<b>Accounts Audit Plan</b> We are required to issue a detailed accounts audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2018-19 financial statements.	January 2019	Not yet due
<b>Interim Audit Findings</b> We will report to you the findings from our interim audit and our initial value for money risk assessment within our Progress Report.	March 2019	Not yet due
<b>Audit Findings Report</b> The Audit Findings Report will be reported to the July Audit Committee.	July 2019	Not yet due
<b>Auditors Report</b> This is the opinion on your financial statements, annual governance statement and value for money conclusion.	July 2019	Not yet due
<b>Annual Audit Letter</b> This letter communicates the key issues arising from our work.	August 2019	Not yet due
<b>Annual Certification Letter</b> This letter reports any matters arising from our certification work carried out throughout the period.	December 2019	Not yet due

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# Sector Update

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Local government finances are at a tipping point. Councils are tackling a continuing drive to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider LG and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- **Grant Thornton Publications**
- **Insights from local government sector specialists**
- **Reports of interest**
- **Accounting and regulatory updates**

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website

# In good company: Latest trends in local authority trading companies

Our recent report looks at trends in LATC's (Local Government Authority Trading Companies). These deliver a wide range of services across the country and range from wholly owned companies to joint ventures, all within the public and private sector.

## Outsourcing versus local authority trading companies

The rise of trading companies is, in part, due to the decline in popularity of outsourcing. The majority of outsourced contracts operate successfully, and continue to deliver significant savings. But recent high profile failures, problems with inflexible contracts and poor contract management mean that outsourcing has fallen out of favour. The days of large scale outsourcing of council services has gone.

## Advantages of local authority trading companies

- Authorities can keep direct control over their providers
- Opportunities for any profits to be returned to the council
- Provides suitable opportunity to change the local authority terms and conditions, particularly with regard to pensions, can also bring significant reductions in the cost base of the service
- Having a separate company allows the authority to move away from the constraints of the councils decision making processes, becoming more agile and responsive to changes in demand or funding
- Wider powers to trade through the Localism act provide the company with the opportunity to win contracts elsewhere

## Choosing the right company model

The most common company models adopted by councils are:

Wholly  
owned

Joint  
Ventures

Social  
Enterprise

Wholly owned companies are common because they allow local authorities to retain the risk and reward. And governance is less complicated. Direct labour organisations such as Cormac and Oxford Direct Services have both transferred out in this way.

JVs have become increasingly popular as a means of leveraging growth. Pioneered by Norse, Corserv and Vertas organisations are developing the model. Alternatively, if there is a social motive rather than a profit one, the social enterprise model is the best option, as it can enable access to grant funding to drive growth.

## Getting it right through effective governance

While there are pitfalls in establishing these companies, those that have got it right are: seizing the advantages of a more commercial mind-set, generating revenue, driving efficiencies and improving the quality of services. By developing effective governance they can be more flexible and grow business without micromanagement from the council.

## LATC's need to adapt for the future

- LATC's must adapt to developments in the external environment
  - These include possible changes to the public procurement rules after Brexit and new local authority structures. Also responding to an increasingly crowded and competitive market where there could be more mergers and insolvencies.
- Authorities need to be open to different ways of doing things, driving further developments of new trading companies. Relieving pressures on councils to find the most efficient ways of doing more with less in today's austere climate.

Overall, joint ventures can be a viable alternative delivery model for local authorities. Our research indicates that the numbers of joint ventures will continue to rise, and in particular we expect to see others follow examples of successful public-public partnerships.



[Download the report here](#)

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# Links

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## Grant Thornton website links

<https://www.grantthornton.co.uk/>

<http://www.grantthornton.co.uk/industries/publicsector>

<https://www.grantthornton.co.uk/en/insights/a-caring-society/>

<https://www.grantthornton.co.uk/en/insights/care-homes-where-are-we-now/>

<https://www.grantthornton.co.uk/en/insights/the-rise-of-local-authority-trading-companies/>

## National Audit Office link

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

## Ministry of Housing, Communities and Local Government links

<https://www.gov.uk/government/news/social-housing-green-paper-a-new-deal-for-social-housing>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/728722/BRR\\_Pilots\\_19-20\\_Prospectus.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728722/BRR_Pilots_19-20_Prospectus.pdf)

## Institute for Fiscal Studies

<https://www.ifs.org.uk/uploads/publications/comms/R148.pdf>



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