

Date: 20 November 2012  
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To: Members of the Audit and Corporate Governance Committee  
(Councillors: Roger Boote, Peter Bowden, Bob Buxton  
Steve Gazzard, Steve Hall, Tony Howard, Geoff Pook,  
Ken Potter)

Councillor David Cox – Portfolio Holder, Finance  
Councillor Ray Bloxham - Portfolio Holder, Corporate Business  
Councillor Ian Thomas – Portfolio Holder, Corporate Services  
Chief Executive  
Deputy Chief Executives  
Head of Service – Finance  
Internal Audit, SWAP  
External Audit, Grant Thornton

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**Audit and Governance Committee**  
**Thursday 29 November 2012**  
**2.30pm**  
**Council Chamber, Knowle, Sidmouth**

Members of the public are welcome to attend this meeting.

- A period of 15 minutes has been provided at the beginning of the meeting to allow members of the public to raise questions.
- In addition, the public may speak on items listed on the agenda. After a report has been introduced, the Chairman of the Committee will ask if any member of the public would like to speak in respect of the matter and/or ask questions.
- All individual contributions will be limited to a period of 3 minutes – where there is an interest group of objectors or supporters, a spokesperson should be appointed to speak on behalf of the group.
- The public is advised that the Chairman has the right and discretion to control questions to avoid disruption, repetition and to make best use of the meeting time.

**AGENDA**

**Page/s**

**Part A**

- |   |  |       |
|---|--|-------|
| 1 | <b>Public question time</b> – standard agenda item (15 minutes)<br>Members of the public are invited to put questions to the Committee through the Chairman. Councillors also have the opportunity to ask questions of the Leader and/or Portfolio Holders during this time slot whilst giving priority at this part of the agenda to members of the public. |       |
| 2 | To confirm the minutes of the meeting of the Audit & Governance Committee held on 27 September 2012.   | 4 - 9 |
| 3 | To receive any apologies for absence.  |       |
| 4 | To receive any declarations of interests relating to items on the agenda.  |       |

5	To consider any items which in the opinion of the Chairman, should be dealt with as matters of urgency because of special circumstances.  (Note: Such circumstances need to be specified in the minutes; any Member wishing to raise a matter under this item is requested to notify the Chief Executive in advance of the meeting).		
6	To agree any items to be dealt with after the public (including the press) have been excluded. There are two items which Officers recommend should be dealt with in this way.		
7	Regulation Powers Act update	Corporate Legal and Democratic Services Manager	10 - 12
8	Review of Document Centre and ICT costs as requested by the Committee	Corporate ICT Manager	Presentation
9	1 <sup>st</sup> Risk Review	Management Information Officer	13 - 68
10	Annual Audit Letter 2011/12	Grant Thornton	69 - 77
11	Audit Fee Letter 2012/13	Grant Thornton	78 - 80
12	Internal Audit Activity – Quarter 2	SWAP	81 - 92
13	Draft Contract Standing Orders	Corporate Procurement Officer	93 - 96
14	Forward Plan	Head of Finance	97

## Part B

### The Vice Chairman to move the following:-

“that under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, of the description set out on the agenda, is likely to be disclosed and on balance the public interest is in discussing this item in private session (Part B).”

15	Expenditure on Consultants 2011/12	Reason for consideration in Part B: Para 3 Schedule 12A Information relating to the financial or business affairs of any particular person (including the authority holding that information).	Financial Services Manager	98 - 100
16	Water Sampling Contract	Reason for consideration in Part B: Para 3 Schedule 12A Information relating to the financial or business affairs of any particular person (including the authority holding that information).	SWAP	101 - 105

## Members remember!

- You must declare the nature of any disclosable pecuniary interests. [Under the Localism Act 2011, this means the interests of your spouse, or civil partner, a person with whom you are living with as husband and wife or a person with whom you are living as if you are civil partners]. You must also disclose any personal interest.
- You must disclose your interest in an item whenever it becomes apparent that you have an interest in the business being considered.  
Make sure you say what your interest is as this has to be included in the minutes. [For example, 'I have a disclosable pecuniary interest because this planning application is made by my husband's employer'.]
- If your interest is a disclosable pecuniary interest you cannot participate in the discussion, cannot vote and must leave the room unless you have obtained a dispensation from the Council's Monitoring Officer or Standards Committee.

## Decision making and equality duties

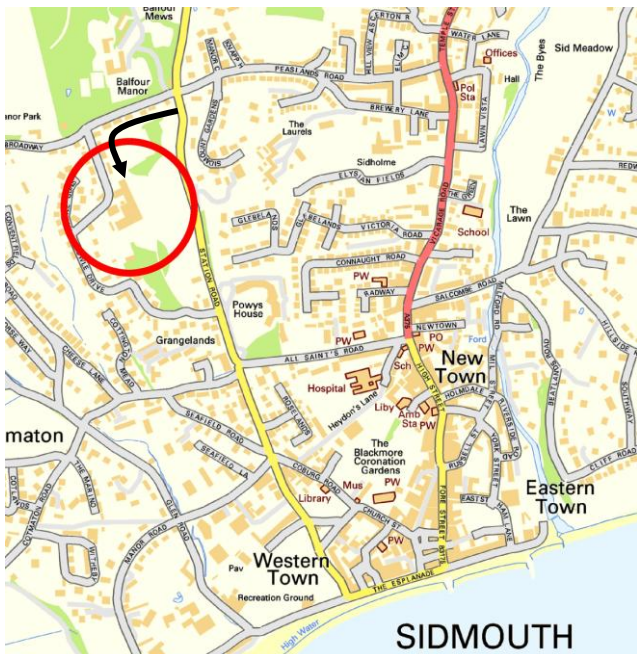
The Council will give due regard under the Equality Act 2010 to the equality impact of its decisions.

An appropriate level of analysis of equality issues, assessment of equalities impact and any mitigation and/or monitoring of impact will be addressed in committee reports.

Consultation on major policy changes will take place in line with any legal requirements and with what is appropriate and fair for the decisions being taken.

Members will be expected to give reasons for decisions which demonstrate they have addressed equality issues.

## Getting to the Meeting – for the benefit of visitors



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The following buses all terminate at the Triangle in Sidmouth. From the Triangle, walk up Station Road until you reach the Council Offices (approximately ½ mile).

**From Exeter – 52A, 52B; From Honiton – 52B; From Seaton – 52A; From Ottery St Mary – 379, 387**

Please check your local timetable for times.

The Committee Suite has a separate entrance to the main building, located at the end of the visitor and Councillor car park. The rooms are at ground level and easily accessible; there is also a toilet for disabled users.

**For a copy of this agenda in large print, please contact the Democratic Services Team on 01395 517546**

## EAST DEVON DISTRICT COUNCIL

### Minutes of a Meeting of the Audit and Governance Committee held at Knowle, Sidmouth, on Thursday 27 September 2012

**Present:**

Councillors:  
Ken Potter (Chairman)  
Peter Bowden (Vice Chairman)  
Roger Boote  
Bob Buxton  
Steve Gazzard  
Steve Hall  
Geoff Pook

**Also Present:**

Councillors:  
David Cox, Portfolio Holder - Finance  
Paul Diviani  
Martin Gammell  
Douglas Hull  
Andrew Moulding

**Officers:**

Simon Davey, Head of Finance  
Laurelie Gifford, Financial Services Manager  
Hannah Whitfield, Democratic Services Officer

**Internal  
Auditors:**

Gerry Cox, Head of Internal Audit  
Andrew Ellins, South West Audit Partnership

**External  
Auditors:**

Jenny Dwyer, Grant Thornton

**Apologies:**

Committee Member  
Councillor Tony Howard

Non- Committee Member  
Councillor David Atkins

Officers  
Colin Slater, Corporate Procurement  
Officer

The meeting started at 2.30 pm and ended at 4:28pm.

\*9

**Public Questions**

No questions were raised by members of the public.

\*10

**Minutes**

The minutes of the meeting of the Audit and Governance Committee held on 28 June 2012 were confirmed and signed as a true record.

\*11

**Declarations of interest**

There were no declarations of interest from Members.

**\*12 SWAP Governance Arrangements**

The Committee received a presentation from the Head of Internal Audit Partnership on the proposed new SWAP governance arrangements.

The current governance arrangements and difficulties of managing the Partnership under these arrangements were outlined to the Committee. In order to overcome these current issues, it was proposed that SWAP became a Private Limited Company by Guarantee with effect from 1 April 2013. The Company would remain not-for-profit and it was stressed to the Committee that while the proposed changes were taking place it would be 'business as usual' with no disruption to the service provided to the Council. Benefits of the new arrangements included the Company employing their own staff; EDDC having an equal share in the management of the Company; and greater flexibility in the makeup of the Partnership Board, for example allowing substitute members and proxy votes.

At their meeting on 8 January 2013 the Partnership Board would be asked to approve these proposed changes. If approved, SWAP would contact each of the 12 Local Authorities within the Partnership and ask them to withdraw from the current arrangements and sign-up to the new arrangements. Members had been invited to attend a councillor workshop about the new arrangements on 8 October 2012.

In response to a question from a Member the Head of Internal Audit advised the Committee that under the new arrangements there was scope to increase the number of local authorities within the Partnership. There were no plans to increase fees for the service provided by SWAP in the Company's five year plan - the long term ambition of the company was to reduce the cost of fees to the individual local authorities within the Partnership.

The Chairman thanked the Head of Internal Audit on behalf of the Committee for his presentation.

**\*13 Draft Contract Standing Orders**

The Chairman agreed for this item to be brought forward on the agenda as the Vice-Chairman of the Committee and the Leader needed to leave the meeting early to attend another engagement.

The Head of Finance advised Members that the Council's existing Contract Standing Orders had been written in 2007 and were now outdated. Revised draft Contract Standing Orders had been produced by the Corporate Procurement Officer to include best practice of other local authorities. They had been endorsed by the Council's internal and external auditors, Senior Management Team and the Legal Team. Contract Standing Orders were written to promote good procurement practice and public accountability and deter corruption. The Committee noted that in addition to the document a flow chart would be produced and training would be offered to aid Officers.

Key changes in the draft Contract Standing Orders included an increased financial threshold from £3k to £5k for written quotations, strengthened management and monitoring of contracts and how to deal with electronic tendering.

**\*13 Draft Contract Standing Orders continued...**

The Head of Finance advised the Committee that the Council used specific procurement software to achieve efficiency within the Council, for example combining contracts where appropriate. Members noted that the Council's Procurement Strategy would be considered by Cabinet at its next meeting.

The Chairman invited the internal and external audit representatives present to comment on the draft Contract Orders. Both SWAP and Grant Thornton endorsed and supported the approval of the draft Contract Standing Orders.

The Committee discussed the draft Contract Standing Orders at length. Comments included:

- The expertise and local knowledge of councillors should be better used within the Council and councillors should have direct involvement in the contract process;
- Standing Orders were lacking in detail and offered no protection to Councillors or Officers;
- Standing Orders needed to be strengthened to prevent contracts being divided up to shorten the tender process;
- Concerns about increasing the financial thresholds;
- Document was easy to read and understand. Welcome the flow chart and training for Officers;
- Council employs Officers to adhere to approved standing orders, therefore contract should be administered by Officers;
- Council employs Internal and External Audit services to ensure standing orders were adhered to.
- Suggested that a member of the Committee sit on the Procurement Group.

The Head of Finance advised Members that contracts under the current threshold of £3k still needed to be assigned to a Council budget and signed off by an Authorising Officer; this existing control remained in place. Officers also had a responsibility to obtain best value for money. The threshold was proposed to be increased to £5k to bring EDDC in line with other local authorities; this was particularly beneficial for joint procurement. Any concerns raised about specific contracts would be investigated by the internal auditors. The Committee was advised that Councillors were kept informed of upcoming and awarded contracts.

Members wanted to set up a Task and Finish Forum to discuss the draft Corporate Standing Orders in more detail before making a decision as to whether they should be approved. The Task and Finish Forum to include all members of the Committee and the Portfolio Holder – Finance being invited to attend.

Note – Following the meeting, Chief Executive, Mark Williams gave procedural advice on the way forward to meet the Committee's concerns. As the Committee wanted to challenge the advice of internal and external auditors he asked the Head of Finance to prepare a report for Cabinet.

**\*13 Draft Contract Standing Orders continued...**

**Action:** that the Head of Finance prepare a report to Cabinet setting out the concerns raised by the Audit and Governance Committee and recommend that a Working Party be set up with a specific remit in respect of considering the details of the Contract Standing Orders.

**\*14 Statement of Accounts 2011/12**

The Head of Finance advised the Committee that the Council's Statement of Accounts for 2011/12 had now been audited and were circulated to Members for their approval.

The Committee considered the report of the Head of Finance which compared the final position of the Council's accounts with the position presented to Members in the Outturn report in June 2012. The Committee's attention was drawn to amendments following the audit. The main alterations made were in the areas of leases, capital funding and Housing Revenue Account depreciation. Members noted that these alterations had not affected the overall financial position of the Council, however were areas that needed to be improved upon to ensure the same errors did not happen the following year.

## a) Financial Statement

The Audit and Governance Committee had delegated responsibility to approve the Statement of Accounts. The Financial Services Manager outlined the detail of the Accounts and highlighted key financial points.

Members commented that they would like to see a breakdown of long term debtors and consultancy fees.

## b) Annual Governance Statement

The Council was required to approve an Annual Governance Statement to accompany the Statement of Accounts. The report detailed the processes in place within the Council's Governance framework and in compliance with its adopted Code of Corporate Governance. The Statement included a number of improvements in Governance arrangements, including a number of key policies relating to governance arrangements being rewritten in 2011/12, production of a year end report (2011/12) of activities to consider how well the Council performed against what it set out to achieve, and improvement to the Council's overall assessment of key financial controls as reported by SWAP.

The Committee noted that the review had identified areas where action was appropriate to enhance the governance and internal control environment to ensure continuous improvement. The areas for improvement were financial regulations and contract standing orders, ICT Service Continuity Plan, publication of contract register, and emergency planning.

## c) Letter of Representation

Members were asked to endorse the letter to Grant Thornton in respect of the audit of the Financial Statements for the year ended 31 March 2012 confirming the council's position, documents produced and the sound processes in place.

**\*14 Statement of Accounts 2011/12 continued...**

## d) Report to those charged with Governance

Jenny Dwyer, Grant Thornton, presented the Council's external audit report which highlighted key issues arising from the Council's financial statements for the year ending 31 March 2012. This set out the adjustments and corrections made to the council's accounts as a result of the audit and a proposed plan of recommendations for further improvement.

Grant Thornton, based on their work and having regard to the specified criteria published by the Audit Commission, had concluded that the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2012.

In response to a question raised by a member of the Committee, the SWAP Audit Manager advised that procedures and controls for Section 106 Agreements had looked at the previous year. Any issues regarding specific Agreements should be raised with the Head of Finance.

## e) Letter of objection 2010/11 accounts

The Committee noted Grant Thornton's letter to an objector of the Council's 2010/11 accounts, setting out their decision on the Notice of Objection in relation to income received from Penalty Charge Notices (PCNs) in East Devon. Grant Thornton's final opinion was that the wording on the PCNs complied with regulations and as a result the 2010/11 accounts could now be closed.

In response to a question raised by a member of the Committee, the Head of Finance advised that similar objections had been raised at other local authorities and the cost of obtaining the opinion by the auditor was being shared.

**RESOLVED:**

1. that the Audit and Governance Committee approve the 2011/12 Statement of Accounts;
2. that a breakdown of long term debtors for 2011/12 be circulated to Committee Members;
3. that a breakdown of consultancy fees for 2011/12 be circulated at the next Committee meeting;
4. that the Head of Finance provide an update on the Governance Action Plan at the Committee's meeting in March 2013.

**\*15 Internal Audit Plan – Quarterly Update 2012/13**

Members considered the report of the Audit Manager which provided the outturn position for the Internal Audit Plan at the end of August 2012, providing an update for Quarter 1 and progress at the time of the report for Quarter 2.

In Quarter 1 three audits had been planned. These were:

- Housing Revenue Account (HRA)
- Leisure East Devon (LED)
- Arts and Culture



**\*15 Internal Audit Plan – Quarterly Update 2012/13 continued...**

The Committee noted that the HRA audit had been finalised and given Reasonable Assurance. The Arts and Culture audit was a draft stage and LED audit was in progress. The Income Collection audit, scheduled for Quarter 2, was also in progress. A review of Risk Management which had been audited in 2011/12 had been carried out and two further follow ups had been commenced – Emergency Planning and Street Scene. Key Control audits were due to start in October 2012.

**RESOLVED:** that the content of the Internal Audit Plan – Quarterly Update report accepted as presented.

**\*16 Forward Plan 2012/13**

The Committee noted the contents of the forward plan and future meeting dates.

Items to be included:

- 29 November 2012 – Consultancy breakdown
- 14 March 2013 – Governance Action Plan update.

Chairman ..... Date .....

## Agenda Item 7

**Audit and Corporate Governance**

**29 November 2012**

**RP**



### **Regulation of Investigatory Powers Act policy update and annual report**

#### **Summary**

Legislative amendments to the Regulation of Investigatory Powers Act [RIPA] came into force on 1 November 2012. Members are asked to note the related policy has been updated to reflect these and to receive the annual report.

#### **Recommendation**

**That the changes to the updated Regulation of Investigatory Powers Act [RIPA] policy to reflect the changes brought in by the Protection Of Freedoms Act 2012 be noted and the annual report be received.**

#### **a) Reasons for Recommendation**

To reflect legislative change and good practice.

#### **b) Alternative Options**

To choose not to use RIPA at all. However, this would in some cases make the detection of offences and their proof in court more difficult

#### **c) Risk Considerations**

Proper use of the Act assists in gathering admissible evidence for subsequent court proceedings, for example in benefit fraud cases

#### **d) Policy and Budgetary Considerations**

There are no new budgetary implications arising from the policy as the need to attend the magistrates court can be carried out by existing staff.

#### **Positive Impact Overall**

Safe Environment.

Clean Environment.

Excellent Customer Service.

Meeting our crime and disorder duties.

#### **e) Date for Review of Decision**

November 2013

## **Background**

1) Very occasionally the Council uses directed surveillance to detect and prevent crime, under the terms of the Regulation of Investigatory Powers Act 2000 (RIPA). The powers are rarely needed, but in common with other local authorities, this council sometimes make use of them to identify and gather evidence against those responsible for anti-social behaviour or suspected serious breaches of regulatory control. A full explanation of the use of these powers is set out in the Council's policy [see link under background papers]

2) Directed surveillance is, in essence, any activity undertaken covertly for the purpose of a specific investigation in such a way that is likely to result in obtaining information about a person's private life. For example, following a fraud suspect to their home and watching to see who they were living with without disclosing the reason for the officer's presence would normally constitute directed surveillance and require formal authorisation.

3) Audit and Governance Committee approved the RIPA policy on 29 September 2011, with delegated power to me to update it as necessary in line with changes to legislation and guidance. I made a further report to Audit and Governance in March this year on the Office of Surveillance Commissioner's positive inspection and the implementation of his recommendations. Minor changes to the policy were made then.

## **Recent changes**

4) Following changes to RIPA by the Protection of Freedoms Act 2012, from 1 November 2012 local authorities can only use directed surveillance under RIPA to prevent or detect criminal offences that are punishable, whether on summary conviction or indictment, by a maximum term of at least 6 months' imprisonment or are related to the sale of alcohol and tobacco to minors.

5) Authorisations for directed surveillance or covert human intelligence sources are not effective until approved by a J.P (magistrate) following approval by an authorising officer at the Council. Full details of the processes involved are explained in the policy.

6) A local authority may not authorise the use of directed surveillance under RIPA to investigate disorder that does not involve criminal offences or to investigate low level offences which may include, for example, littering, dog control and fly-posting. At the start of an investigation, council officers will need to satisfy themselves they are investigating a criminal offence punishable by a prison term of 6 months at least (unless related to under age tobacco and alcohol sales).

7) In East Devon the approach has been to consider whether surveillance is necessary and proportionate, in line with the Act and human rights legislation. Consideration will always be given as to whether the investigation could be effectively carried out by other means without using directed surveillance.

## **Safeguards**

8) The Council's policy sets out how authorisation is to be obtained, reviewed and cancelled. It also refers to the Home Office Codes of Practice on covert surveillance and covert human intelligence sources which the Council has also adopted.



## Annual report

9) No RIPA authorisations have taken place. Corporate training was arranged for all key Council staff in May 2012 to support good corporate understanding of when and how RIPA applies.

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### **Legal Implications**

The content of the policy reflects law and guidance.

### **Financial Implications**

To follow.

### **Consultation on Reports**

The policy has been discussed at the Strategic Management Team.

### **Background Papers**

1 November 2012: [Updated Policy on use of directed surveillance and covert human intelligence sources. Regulation of Investigatory Powers Act 2000](#)

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Rachel Pocock 2601  
Corporate Legal and Democratic Services Manager

Audit and Corporate Governance  
29 November 2012

## Agenda Item 9

**Audit and Governance Committee**

**8 November 2012**

**Risk Review Information for 2012/13**



### **1<sup>st</sup> Risk Review 2012/13**

#### **Summary**

Risk information for the 2012/13 financial year until September 2012 is supplied to allow the Audit and Governance Committee to monitor the risk status of Strategic and Operational Risks. This follows the 1<sup>st</sup> review of risks by responsible officers for 2012/13.

#### **Recommendation**

**That the Audit and Governance Committee considers the current status of risks until September 2012.**

#### **a) Reasons for Recommendation**

To ensure that the Risk Management Policy and Guidance is being followed and all risks are being monitored and control actions implemented.

#### **b) Alternative Options**

None

#### **c) Risk Considerations**

Failure to identify, assess, monitor, review and manage risks could impact negatively (i.e. financial, reputational, operationally) on the council.

#### **d) Policy and Budgetary Considerations**

Our Risk Management Policy and Guidance recommends that risks are reported to the Audit and Governance Committee on a bi-annual basis. Risks which are unmanaged could have a serious financial impact.

#### **e) Date for Review of Decision**

The next Bi-annual Review March 2013

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### **1 Main Body of the Report**

1. The EDDC's Risk Management Policy requires all risks identified by the council to be reviewed bi-annually. There are currently 17 Strategic and 102 Operational Risks, each when first identified were considered high or medium level risks which required some form of mitigation through control actions. For this 1<sup>st</sup> review for 2012/13 all risk owners were asked to reassess the overall risk, update their control

action/s and re-score the risk to give a residual score in light of the mitigation from the control actions undertaken.

2. We are now seeing signs that the Risk Management process is becoming more embedded within the Council and that the risks in some Services are being updated more regularly than the stated bi-annual reviews and the reviews undertaken are being given greater consideration.

3. Currently all of the risks have been mitigated to a medium or low level

4. There is one new risk

- **Business Rate Retention Scheme for local authorities**

It is proposed from 01/04/13 that local authorities will maintain a proportion (likely 50%) of their business rates to support Council funding. Any increase comes as a benefit but any reductions are also held with the Council. The financial risk of growth or decline is now held at a local level rather than smoothed out at a national level.

The pure risk score was High (12) but with the initial control actions in place this has reduced to medium (8).

Further information about this risk can be found at appendix A

5. There are 5 risks with scores that have increased since the last review. For more information on these risk including details of their control actions see appendix A

- **Lack of 5 year housing land supply and associated infrastructure**

This was scored Low (2) but is now Medium (8)

Review Note: The risk likelihood has increased reflecting a challenge to our 5 year land supply in a recent Planning Inspectors report. Following this we are reviewing our land supply provision to ensure our policies are sufficiently robust to meet future challenges.

- **ICT services and capacity is insufficient to meet corporate needs.**

This was scored Low (3) but is now Medium (6)

Review Note: A variety of new technologies are being introduced over the next 2 years, many of them significant upgrades of existing systems required simply to keep pace with supplier maintenance contracts. Others are to take advantage of new ways of working. All require new skills and training of ICT staff. This puts pressure on budgets and resources. Planning is taking place to match skills with resources. Also, with ICT resources scarce and demands increasing, new prioritisation processes are being investigated to enable SMT closer control on allocation of resources.

- **Absence management**

This was scored Low (2) but is now Medium (6)

Review Note: Medium and long term absences have created an increase in absence in the first two quarters of 2012. Following the return to work of some of those on extended absences, we are optimistic that the rest of the year will see an improvement in absence rates.

- **Staff engagement and morale**

This was scored Low (2) but is now Medium (6)

Review note: We are working very hard to retain a positive working environment despite significant challenges created by key roles being unfilled and the uncertainty over future pay increases. We are currently running staff awareness seminars aimed at keeping staff fully informed and engaged and our forthcoming liP gold assessment is considered to be a key tool for improving staff morale.

- **Failure to Produce Local Plan by end of 2012 could result in development in an unplanned fashion**

This was scored Low (2) but is now Medium (6)

Review note: Slight delay in timetable will mean that the 2012 adoption will not happen - adoption expected in 2013

6. There are 9 risks which have had their scores reduced from medium to low; further information about these risks can be found at appendix B.
  - Council services are not delivered where and how customers need them
  - Non-availability of key operation centre
  - Securing up-front funding for major infrastructure in the west end of the District
  - Failure to provide accurate or helpful housing/homelessness advice
  - Loans taken out for self-financing regime introduced by the Localism Act
  - Unforeseen expenditure on council homes
  - Failure to pay the right people, the right salary on time
  - Failure to meet statutory duties in relation to payroll
  - Failure to properly administer the Local Government Pension Scheme
7. A report showing the medium level risks with control action detail appears in Appendix A.
8. A report showing the low level risks without control actions appears in Appendix B
9. An explanation and definitions of these risks including the risk matrix can be found in Appendix C.

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## **Legal Implications**

## **Financial Implications**

## **Consultation on Reports to the Executive**

Relevant Heads and officers have contributed to the appendices.

## **Background Papers**

- [Appendix A - The Risk Review report, high and medium risks with control action detail for 2012/13.](#)
- [Appendix B – The Risk Review report, low risks only for 2012/13](#)
- [Appendix C - Explanations and definitions.](#)

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Joanne Avery Ext 2332  
Management Information Officer

Audit and Governance Committee  
8 November 2012

## High and Medium Risks only with Control Action (SR & OR)

Report for 2012/2013

Filtered by Flag: Include: Strategic Risks, Operational Risk

Exclude: Archive

Filtered by Performance Status: Include Risk Status: Medium, High  
Not Including Projects records, Including Control Action records

### Key to Performance Status:

Control Action:	No longer required	No Data available	Not Effective	in Planning / Progress	Completed	Working and Effective
Risks:	No Data (0+)	High (12+)	Medium (6+)	Low (1+)		

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Business failure of a major contractor or significant partner** Failure of a major contractor to deliver key services in accordance with the specification/service level agreement or a significant partnership fails through a legal, financial, reputational, relationship or governance issue

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Likely</b>			
<b>Residual Status: Medium (8)</b>	<b>Residual Risk Impact: Major</b>	<b>Residual Risk Likelihood: Unlikely</b>			
<b>Date Identified: 02 Oct 2009</b>		<b>Service: Strategic Risks</b>			
<b>Control Action records</b>					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	Pre tender selection procedure	Pre-tender selection process aims to ensure only those contractors with the technical expertise, performance history and financial standing are invited to tender in accordance with CSO's.	Simon Davey	02/10/2009	21/09/2012
<b>Responsible Officer: Rachel Pocock</b>					
<b>Review Note:</b>					



## High and Medium Risks only with Control Action (SR & OR)

**Risk: Adequacy of financial resource planning to deliver the Council's priorities** Insufficient financial resources to deliver Council priorities as a consequence of:

- a) Failure of financial forecasting, budgeting, monitoring and reporting system resulting in insufficient financial resources and inadequate reserves
- b) Failure to use resources available effectively
- c) Reduction in government funding

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Likely</b>
<b>Residual Status: Medium (8)</b>	<b>Residual Risk Impact: Major</b>	<b>Residual Risk Likelihood: Unlikely</b>
<b>Date Identified: 02 Oct 2009</b>		<b>Service: Strategic Risks</b>

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
Working and Effective	Annual budget preparation and monitoring	service managers, directors, members involved in the preparation of budgets and in the monitoring/reporting of actual financial performance during the course of the year	Simon Davey	02/10/2009	21/09/2012
Working and Effective	Efficiency	the council will look to achieve efficiency targets in order that the resources that are available are directed towards delivering key priorities	Simon Davey	30/10/2009	21/09/2012
Working and Effective	Financial regulations and operating procedures	internal arrangements designed to ensure financial resources are securely held and appropriately used	Simon Davey	02/10/2009	21/09/2012
Working and Effective	Medium term budget preparation	preparation of medium term term financial plan forecasting income and expenditure and any potential gap in resources	Simon Davey	02/10/2009	21/09/2012
Working and Effective	prudential borrowing	ensure borrowing is affordable and sustainable	Simon Davey	29/10/2009	21/09/2012
Working and Effective	Reserve policy	maintenance of adequate reserves at a level designed to ensure the council can continue to deliver services in the event of reducing incomes or higher than expected costs.	Simon Davey	02/10/2009	21/09/2012

**Responsible Officer: Simon Davey**

**Review Note:**

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Major disruption in continuity of computer and telecommunications services.** Major disruption in continuity of computer and telecommunications facilities to the detriment of service delivery

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Likely</b>
<b>Residual Status: Medium (8)</b>	<b>Residual Risk Impact: Major</b>	<b>Residual Risk Likelihood: Unlikely</b>
<b>Date Identified: 02 Oct 2009</b>		<b>Service: Strategic Risks</b>

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
in Planning / Progress	CoCo Compliance	Compliance with Code of Connection... government standard for system, network and information security design and monitoring that requires yearly approval.	Chris Powell	05/10/2009	21/09/2012
Working and Effective	ICT Strategy	ICT Strategy... design and selection of resilient systems including virtualised processor and storage arrays; dual path networks; built in system redundancies; UPS and back -up power supplies	Chris Powell	05/10/2009	21/09/2012
Working and Effective	Information Security Policy	Information Security Policy...to protect systems from electronic attack; inappropriate user access; inappropriate use of systems.	Chris Powell	05/10/2009	21/09/2012
Not Effective	IT Service Continuity Plan	In the event of a major incident that prevents use of the main data centre at the Knowle plans and systems are in place to transfer IT operations to East Devon Business Centre	Paul Bacon	01/08/2011	21/09/2012
Working and Effective	ITIL-based processes	ITIL-based service management processes... best practice designed to deliver quality IT services and include processes for Change Management, Incident Management; Problem Management	Chris Powell	05/10/2009	21/09/2012

**Responsible Officer: Chris Powell**

**Review Note:** The implementation of the new disaster recovery site with its copies of live data has been challenging. The team have faced non-working software; poor design by suppliers; and changing technology to produce a working solution that delivers a reasonable level of security for the level of risk and money. The build process has been significantly delayed and is now expected to be completed in December.

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Security of information is compromised** Failure to safeguard and protect critical data or IT systems with the risk that it could be permanently lost, damaged, misused or stolen.

<b>Pure Status: Medium (8)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Unlikely</b>
<b>Residual Status: Medium (8)</b>	<b>Residual Risk Impact: Major</b>	<b>Residual Risk Likelihood: Unlikely</b>

**Date Identified: 01 Oct 2009** **Service: Strategic Risks**

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
Working and Effective	Change Management	ITIL and Prince 2 change management, risk management is applied to change ensuring data is safe before changes carried out.	Chris Powell	05/10/2009	21/09/2012
in Planning / Progress	CoCo Compliance	Compliance with government Code of Connection for system security, access and use of government IT systems and overall information security.	Paul Bacon	05/10/2009	21/09/2012
Working and Effective	Employee and member awareness of Information Security risks	The greatest risk to information Security is well known to be user access. Training and communication for users is carried out regularly to ensure constant awareness.	Chris Powell	01/08/2011	21/09/2012
Working and Effective	Information Security Policy	Information Security Policy and additional processes based upon ISO 27001 standards and processes are written and approved and in use.	Chris Powell	05/10/2009	21/09/2012
Working and Effective	Resources organised to focus on Information Security	Mitigating risks associated with Information Security is lead by the Design and Compliance Team in ICT.	Chris Powell	01/08/2011	21/09/2012
in Planning / Progress	System Design	IT Systems designed and working for robust data back up and recovery.	Paul Bacon	05/10/2009	21/09/2012

**Responsible Officer: Chris Powell**

**Review Note:** No system will ever totally eliminate the risk of information being compromised while there is a need to balance usability of IT systems and processes against the need for security. There is always compromise. While we have good education, training, awareness programmes and IT systems in place regarding security of our data and information there is always the risk of people forgetting to follow the correct procedures or even pressing the wrong buttons. With the ICO issuing savage fines for serious infringements of the Data Protection Act of £250,000 and more the consequences of a bad security breach are major.

## High and Medium Risks only with Control Action (SR & OR)

**Risk: ICT is not suitable for corporate needs** Failure to ensure ICT investment in applications and hardware meets the computer and communications needs of users, both internal and external

<b>Pure Status: Medium (9)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Significant</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 02 Oct 2009</b>		<b>Service: Strategic Risks</b>

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
in Planning / Progress	ICT Programme Board	ICT Programme Board operates to agree and monitor ICT projects, security and overall performance of ICT projects.	Chris Powell	05/10/2009	21/09/2012
in Planning / Progress	ICT resources	Budget setting process prioritises ICT spend according to Corporate priorities	Chris Powell	05/10/2009	21/09/2012
in Planning / Progress	ICT Service Level Agreement (SLA)	Service Level Agreement in place between ICT and the business units to agree service delivery and performance.	Chris Powell	05/10/2009	21/09/2012
Working and Effective	ICT Strategy	ICT Strategy created and reviewed in line with the reviews of Corporate Strategy to ensure that the aims of ICT are aligned.	Chris Powell	05/10/2009	21/09/2012
Working and Effective	Service Plans	ICT Services plans aligned with Business Service plans and Corporate Strategy through the Service Planning process.	Chris Powell	05/10/2009	21/09/2012
Working and Effective	Systems meet business user requirements	Design and procurement processes, based around Prince2 methodology, are in place to help develop, agree and implement systems to meet business user requirements and security considerations.	Chris Powell	05/10/2009	21/09/2012

**Responsible Officer: Chris Powell**

**Review Note:** Technology is changing faster than our resources or budgets allow for us to take maximum advantage of everything new. We are selective in how we apply our scarce resources basing many of our decisions around the three interlinked strategies for ICT, Customer Access and Communications. Over-riding these changes will be the need to maintain our "business as usual" activities in an effective manner.

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Failure to meet a specific legal or ethical obligation upon EDDC** The Council fails to meet a specific legal or ethical obligation which causes serious disadvantage to residents, visitors or local businesses and leaves the Council liable to action.

<b>Pure Status: Medium (9)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Unlikely</b>
<b>Date Identified: 06 Oct 2009</b>		<b>Service: Strategic Risks</b>

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
Completed	Agree the equality objectives and action plan	Agree the equality objectives and action plan - achieved in April 2012	Denise Lyon	31/03/2012	21/09/2012
Completed	Champion roles for key issues	Members officers or committee arrangements are made for certain areas. eg Community Safety is covered by a specific officer, a Member Champion, a named committee, and a community safety partnership	Rachel Pocock	07/10/2009	21/09/2012
in Planning / Progress	committee template review of decision implications	A check screen behind committee template forces a review of decision	Diana Vernon	07/10/2009	21/09/2012
in Planning / Progress	CPD - Continuous Professional Development	Heads of Service identify key areas for improved Officer knowledge and practice	Karen Jenkins	07/10/2009	21/09/2012
Working and Effective	Legal services scrutiny of all committee reports	Procedures are in place to ensure the Legal Services scrutinize all committee reports for legal implications.	Rachel Pocock	07/10/2009	21/09/2012

**Responsible Officer: Rachel Pocock**

**Review Note:**

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Failure to adequately anticipate or respond to a major health or environmental incident** Council inadequately plans for, or implements, action to tackle a major incident or emergency affecting a part of the district (chemical, biological, radioactive or other physically injurious event; natural or man-made, deliberate or accidental; natural events may include extremes of weather, flooding, coastal erosion and disease)

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Likely</b>
<b>Residual Status: Medium (8)</b>	<b>Residual Risk Impact: Major</b>	<b>Residual Risk Likelihood: Unlikely</b>
<b>Date Identified: 06 Oct 2009</b>		<b>Service: Strategic Risks</b>

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Effective liaison, contact and communication arrangements	Links to other necessary agencies, and officers, even out of hours	Andrew Hancock	07/10/2009	21/09/2012
in Planning / Progress	Effective local plan for emergencies	The Emergency Planning Officer has drawn up emergency plans for key Council personnel.	Andrew Hancock	07/10/2009	21/09/2012
Working and Effective	Effective means of securing resources/equipment and implementing plan	During normal working hours and out of hours	Andrew Hancock	07/10/2009	21/09/2012
in Planning / Progress	Test and review of Emergency Plan	Ensure a regular and planned test and review of the Emergency Plan to ensure it is operable, effective, streamlined and up-to-date.	Andrew Hancock	07/10/2009	21/09/2012

**Responsible Officer: Andrew Hancock**

**Review Note:** Final edits of the revised emergency plan, emergency planning strategy and sandbag policy are being completed and these plans will be taken to SMT in Dec. Out of hours contact information has recently been updated and call out arrangements worked effectively during the recent floods.

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Failure of members to observe their Code of Conduct** Failure of Members to understand their Code of Conduct. The Code is a key to good behaviour, good decision making and preserves the reputation of the Council with the public and partners

<b>Pure Status: Medium (9)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Unlikely</b>
<b>Date Identified: 08 Oct 2009</b>		<b>Service: Strategic Risks</b>

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Code of Conduct	Members sign-up to abide by the Code of Conduct. The Code is regularly updated in line with government directives.	Denise Lyon	09/10/2009	21/09/2012
Working and Effective	Regular Training	Regular training on the Code of Conduct and related topics for district and parish councillors.	Denise Lyon	09/10/2009	21/09/2012
Working and Effective	Standards Committee consideration of Code complaints and training	Standards Committee/Monitoring Officer consideration of Code complaints [as appropriate] and future training requirements of district and parish members.	Denise Lyon	11/10/2012	

**Responsible Officer: Denise Lyon**  
**Review Note:**

**Risk: Change to Economic and Political Climate** The recession and national policies to tackle the budget deficit will have implications for all councils. The Council will have to make difficult decisions in order to set a balanced budget. There are also wider proposals around the Housing Revenue Account, the handling of Housing Benefits and the provision of new homes which we need to be prepared to manage.

<b>Pure Status: High (16)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Significant</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 12 Oct 2009</b>		<b>Service: Strategic Risks</b>

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Council Leaders and Chief Executives meet regularly	Regular dialogue between Council Leaders and Chief Executives of all Councils affected to agree strategy for moving forward.	Denise Lyon	12/10/2009	21/09/2012
Working and Effective	Service Delivery and Performance Committee	Service delivery and performance Committee scrutinises all measures reports and service plan/projects	Denise Lyon	12/10/2009	21/09/2012
Working and Effective	Shared Services	To continue to look for opportunities to share services with other authorities in order to reduce costs	Denise Lyon	01/12/2010	21/09/2012
Working and Effective	Systems Thinking	Systems thinking measures in place to keep management attention on operations and how we are improving	Denise Lyon	12/10/2009	21/09/2012

**Responsible Officer: Simon Davey**  
**Review Note:**

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Delivery of the Growth Agenda for the West End of the District** Failure to deliver Cranbrook (intended to provide 6,500 dwellings by 2026) and/or failure to deliver the Council's key strategic employment sites (intended to provide 11,000 jobs by 2026) including Exeter Science Park, Skypark, road transport infrastructure, expanded Exeter Airport, and the Intermodal Rail Freight Facility, which would mean a failure to deliver the Council's key corporate priority of Thriving Communities

<b>Pure Status: High (16)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Significant</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 05 Jan 2010</b>		<b>Service: Strategic Risks</b>

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
in Planning / Progress	affordable housing support package from HCA	30% affordable housing will challenge viability of project unless grant support forthcoming from HCA. Funding secure and housing development underway	Richard Cohen	20/01/2010	21/09/2012
in Planning / Progress	funding support package	viability of project may be challenging and prevent delivery therefore mechanism required for funding front loading of infrastructure and reducing burden on developers. Regional infrastructure funding	Richard Cohen	04/02/2010	21/09/2012
Working and Effective	Governance arrangements	To ensure projects are monitored and co-ordinated across different organisations. The Exeter and East Devon New Growth Point Steering Board has been established in 2007.	Richard Cohen	06/01/2010	21/09/2012
in Planning / Progress	public sector partner future relationship	Research under way to identify future challenges re business rates, CIL and other growth revenues including Local Infrastructure Fund. Need to develop cross council agreement on infrastructure investment and legally robust arrangements  Secureing ongoing funding for growth point team resource and its evolving role	Richard Cohen	01/04/2012	21/09/2012
Working and Effective	Skills and capacity to manage the work load	Complex projects requiring high level co-ordination and project management across a number of bodies, agencies etc together with a significant amount of workload with tendency to have work peaks at cr	Richard Cohen	06/01/2010	21/09/2012
in Planning / Progress	transport infrastructure package put in place	Development requires improvements to junction 29 and 30 of the M5, together with provision of Clyst Honiton Bypass. Funding required from RIF, RFA, NGP and developers. Funding secure and improvements underway	Richard Cohen	07/01/2010	21/09/2012

**Responsible Officer: Richard Cohen**

**Review Note:**



## High and Medium Risks only with Control Action (SR & OR)

**Risk: Lack of 5 year housing land supply and associated infrastructure** Council fails to have 5 year supply of housing land, therefore:

- a) does not build number of houses required by RSS/Structure Plan
- b) fails to secure funding from the New Homes Bonus
- c) vulnerable on appeal to housing development in non desirable (in Council's view) locations

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (8)</b>	<b>Residual Risk Impact: Significant</b>	<b>Residual Risk Likelihood: Very Likely</b>
<b>Date Identified: 20 Jan 2010</b>		<b>Service: Strategic Risks</b>

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
in Planning / Progress	Progress the Local Plan, Community Infrastructure Levey and Infrastructure Delivery Plan	Have an up to date core strategy	Richard Cohen	20/01/2010	21/09/2012
in Planning / Progress	Project plan in place, completed Local Plan Panels & going to DM Ctte 08/05/12 and Full Council 25/7	Completing evidence based and test exercise against statutory requirements and National Policy Planning Framework. One more town based consultation exercise to complete. Parish allocation and viillage boundaries in seperate exercise in the Autumn. Community Infrasture Levey and Infrastructure Delivery Plan will be part of a joint public enquiry with the Local Plan	Richard Cohen	02/05/2012	21/09/2012

**Responsible Officer: Richard Cohen**

**Review Note:** Risk likelihood has increased reflecting a challenge to our 5 year land supply in a recent Planning Inspectors report. Following this we are reviewing our land supply provision to ensure our policies are sufficiently robust to meet future challenges.

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Regeneration of Exmouth and Seaton** Failure to regenerate the town centre and seafront areas of Exmouth and Seaton would lead to the continued decline in economic viability and attractiveness

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Unlikely</b>
<b>Date Identified: 10 Feb 2010</b>		<b>Service: Strategic Risks</b>

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
in Planning / Progress	Completion of Exmouth Master Plan and project implementation	Master plan completed Jan 2012 and three priority projects identified. Projects at early stages of development including marketing, design and tenant/landowner consultation	Richard Cohen	01/04/2012	21/09/2012
in Planning / Progress	Establish single purpose vehicle	Seaton Visitor Centre business planning underway with preferred provider the Devon Wildlife Trust. Visitor Centre Project underway.	Donna Best	10/02/2010	21/09/2012
No longer required	Trust Board to produce business plan	Business plan that demonstrates ability to sustain business and pay revenue costs essential.	Donna Best	10/02/2010	21/09/2012

**Responsible Officer: Richard Cohen**

**Review Note:** These are complex projects moving forward under detailed management. The principle risk relates to the project management resource or a change in policy direction.

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Viability of relocation of the council offices** Failure to relocate would mean the continued high cost of management and maintenance of Knowle Offices. Increasing inefficiency of current accommodation and reducing capacity to deliver improving services, modern working practices and performance improvements. Challenged ability to maintain high quality services and projects in a time of reducing funding and resources.

<b>Pure Status: Medium (9)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Unlikely</b>
<b>Date Identified: 21 Jul 2011</b>		<b>Service: Strategic Risks</b>

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
in Planning / Progress	Identify financial and development viability of project		Richard Cohen	01/04/2012	21/09/2012
in Planning / Progress	Manage external communications and consultation		Richard Cohen	01/04/2012	21/09/2012
Working and Effective	Manage the Corporate Information Process		Richard Cohen	21/07/2011	21/09/2012
in Planning / Progress	Prepare outline planning application	By end July 2012	Richard Cohen	01/04/2012	21/09/2012
in Planning / Progress	Recruit a Project Manager and follow a project plan		Richard Cohen	21/07/2011	21/09/2012
in Planning / Progress	Re-establish a member-led working party to oversee the process		Richard Cohen	21/07/2011	21/09/2012
in Planning / Progress	Secure and manage the relocation budget		Richard Cohen	21/07/2011	21/09/2012

**Responsible Officer: Richard Cohen**

**Review Note:** Land agents commissioned preparing reports

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Fraud, theft and/or irregularity of financial resources** The risk of fraud, theft and or irregularity of the Council's financial resources and the opportunities to disquise and cover up the fraudulent act.

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (8)</b>	<b>Residual Risk Impact: Major</b>	<b>Residual Risk Likelihood: Unlikely</b>

**Date Identified: 07 Oct 2009**

**Service: Audit**

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Adequate Financial Controls	The Council has in place adequate financial controls including regular reconciliations, segregation of duties, delegated authorities and spending limits.	Simon Davey	08/10/2009	21/09/2012
Working and Effective	Appropriate policies, strategies and fraud response plans	The Council has adequate policies, strategies, and fraud response plans including Anti-Fraud & Corruption Policy and Whistle Blowing Policy. Anti-Fraud Leaflets available in Council offices.	Simon Davey	08/10/2009	21/09/2012
Working and Effective	Audit professionals completing a wide-ranging audit plan	The Council has a wide-ranging audit plan covering all the Council's activities, including Anti-Fraud testing. The plan covers all levels of risk, including medium and lower risks and includes spot checks on transactions and controls in place. Analytical reviews are undertaken of payments to identify any possible fraudulent activities	Simon Davey	08/10/2009	21/09/2012
Working and Effective	Budgetary Control	income received and/or monies paid are assigned to budget heads. Budgets are monitored by managers and accountants and each budget will deliver a specific purpose. Material expenditure not in accordordance with the purpose the budget is held will be identified and income not received will also be identified.	Simon Davey	08/10/2009	21/09/2012
No longer required	Created in Error		Libby Jarrett	14/01/2010	21/09/2012
Working and Effective	Dedicated 'Fraudline'	Dedicated 'Fraudline' which is publicised in council leaflets, magazines and on the website.	Simon Davey	08/10/2009	21/09/2012
Working and Effective	Participation in the NFI	The Council participates in the NFI and has a dedicated officer to co-ordinate the Council's responses and report on progress to the Audit & Governance Committee.	Simon Davey	08/10/2009	21/09/2012
Working and Effective	Segregation of Duties	Segregation of Duties divides responsibilities between individuals and enforces internal check. ie, one person verifies the work of another.	Simon Davey	20/01/2010	21/09/2012

**Responsible Officer: Simon Davey**

**Review Note:**

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Accuracy and quality of information provided to the public when required** Inability to answer questions at the time or a risk of inaccurate information due to lack of training, refresher training and inadequate supervision. This could arise through illness or system failure (including telephone system), or where new staff have not been properly inducted.

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Significant</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 14 Oct 2009</b>		<b>Service: Customer Service</b>

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Call Monitoring	Calls are monitored to ensure that essential elements are covered, the calls are then scored and recorded on a monthly basis to provide a guide of increased or decreased quality of call.	Cherise Foster	15/10/2009	21/09/2012
Working and Effective	Staff Development	All staff are issued with a development plan and are encouraged to take ownership themselves. Support is also provided by management to ensure that the required competencies are achieved.	Cherise Foster	15/10/2009	21/09/2012
Working and Effective	Staff Training	Call feedback and coaching occur on a regular monthly basis where calls are monitored and any gaps identified.	Cherise Foster	15/10/2009	21/09/2012
Working and Effective	Systems Support and Enhancements	Meetings are held on a monthly basis with a representative of ICT. A review of current system capability and any new enhancements required are discussed and these are then implemented in due course.	Cherise Foster	15/10/2009	21/09/2012
Working and Effective	Telephone System Stability	All faults and required enhancements are logged with ICT. ICT then refer these to the software provider's helpdesk to progress issues and to provide the necessary fix.	Cherise Foster	15/10/2009	21/09/2012

**Responsible Officer: Cherise Foster**

**Review Note:**

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Financial claims against the Council arising from major property deal** Land transactions involving the Council can open up the Council to claims where inappropriate actions/decisions are taken, such as need to obtain best value, public procurement issues, european rules, and CPO implications

<b>Pure Status: Medium (8)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Unlikely</b>
<b>Residual Status: Medium (9)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 07 Jan 2010</b>		<b>Service: Econ Dev</b>

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Access to legal and property advice from district valuers officer and lawyers	The Council does not have sufficient expertise and capacity in-house to undertake a major property deal	Richard Cohen	07/01/2010	21/09/2012
in Planning / Progress	Buy-in specialist advice as required.		Richard Cohen	26/08/2011	21/09/2012
in Planning / Progress	Recruitment of additional chartered surveyors and valuers.		Richard Cohen	26/08/2011	21/09/2012

**Responsible Officer: Richard Cohen**

**Review Note:**

**Risk: Lack of budget to adequately maintain Council Property** Lack of budget to adequately maintain Council Property

<b>Pure Status: Medium (6)</b>	<b>Pure Risk Impact: Significant</b>	<b>Pure Risk Likelihood: Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Significant</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 08 Sep 2010</b>		<b>Service: Econ Dev</b>

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Completed	Asset Management Forum oversees asset issues.		Brian Kohl	08/09/2010	21/09/2012
Working and Effective	Asset Management Plan in place.		Brian Kohl	08/09/2010	21/09/2012
Completed	Increase available budget for planned maintenance works	Budget submission to be made in October 2011 for implementation in 2012/13	Brian Kohl	20/09/2011	21/09/2012
Completed	Increase available budget for reactive maintenance works	Budget submission to be made in October 2011 for implementation in 2012/13	Brian Kohl	01/08/2011	21/09/2012
in Planning / Progress	Review of assets for disposal		Brian Kohl	31/08/2011	21/09/2012
Completed	Staff resources recruited to create comprehensive asset register.		Brian Kohl	08/09/2010	21/09/2012

**Responsible Officer: Brian Kohl**

**Review Note:**

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Delivery of employment sites in the west end inhibited by viability of projects** Delivery of employment sites in the west end inhibited by viability of projects during economic downturn.

<b>Pure Status: Medium (6)</b>	<b>Pure Risk Impact: Significant</b>	<b>Pure Risk Likelihood: Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Significant</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 12 Sep 2011</b>		<b>Service: Econ Dev</b>

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	New Growth Point Steering Board and team helping to find solutions both financial and practical.		Andrew Wood	12/09/2011	21/09/2012
in Planning / Progress	Review S106 requirements.		Andrew Wood	12/09/2011	21/09/2012
Not Effective	Seek 'open book' accounts on viability for planning purposes.		Andrew Wood	12/09/2011	21/09/2012
in Planning / Progress	Seek upfront funding options.		Andrew Wood	12/09/2011	21/09/2012

**Responsible Officer: Andrew Wood**

**Review Note:** First jobs coming forward at Skypark, Science Park and Inter-modal Freight Terminal in 2013

**Risk: Long term financial support for NGP Team. Staff on short term contracts.** Long term financial support for NGP Team. Staff on short term contracts.

<b>Pure Status: Medium (6)</b>	<b>Pure Risk Impact: Significant</b>	<b>Pure Risk Likelihood: Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Significant</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 12 Sep 2011</b>		<b>Service: Econ Dev</b>

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	2yr Transition funding secured.		Andrew Wood	12/09/2011	21/09/2012
in Planning / Progress	Examine future role re CIL and Delivery Board proposals.		Andrew Wood	12/09/2011	21/09/2012
in Planning / Progress	Write 3 year business plan with proposals to be self funding.		Andrew Wood	12/09/2011	21/09/2012

**Responsible Officer: Andrew Wood**

**Review Note:** Funding will be sought from Local Authority partners for a three year period as part of business plan exercise. Initial discussions have been completed.

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Implications of Equity Share holding in Science Park Company.** Implications of Equity Share holding in Science Park Company.

<b>Pure Status: Medium (6)</b>	<b>Pure Risk Impact: Significant</b>	<b>Pure Risk Likelihood: Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Significant</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 12 Sep 2011</b>		<b>Service: Econ Dev</b>

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
in Planning / Progress	Review potential liabilities via due diligence exercise.		Andrew Wood	12/09/2011	21/09/2012

**Responsible Officer: Richard Cohen**

**Review Note:** Growing places fund requires capital and interest repayment and underwriting by partners including the District Council which puts this risk as significant.



## High and Medium Risks only with Control Action (SR & OR)

**Risk: Failure to collect all income due to the Council - sundry debtors** Failure to calculate, record, bill and collect sums due to the council from sundry debtors

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Unlikely</b>

**Date Identified: 02 Oct 2009** **Service: Finance**

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
Working and Effective	Ensure debts due are promptly collected	Each system covering debt recovery will raise a bill to the correct individual or business and have a systems in place to take recovery action as appropriate for non payment.	Simon Davey	02/10/2009	21/09/2012
Working and Effective	Ensure debts due are properly recorded	The council has systems in place to record the different areas of debt; Council Tax, Business Rates, Council House Rents, Car Park Fines and Sundry Debtors. Each of these systems will have controls	Simon Davey	02/10/2009	21/09/2012
Working and Effective	Ensure that any write offs or credits are correctly applied	Systems and controls are in place to ensure the write off of debt or credits applied to bills are correct and authorised appropriately.	Simon Davey	02/10/2009	21/09/2012
Working and Effective	performance monitoring	individual and collective performance be monitored, discussed at officer performance review meetings with overall performance being reported to members.	Simon Davey	30/10/2009	21/09/2012
Working and Effective	retention of records	records relevant to the calculation and recovery sums due be retained in accordance with the retention of documents policy	Simon Davey	30/10/2009	21/09/2012
Working and Effective	segregation of duties	Segregation of duties aims to prevent fraud and error by dividing tasks and associated privileges for a process between staff. In small teams (eg NNDR and Council) it is recognised that this objective	Simon Davey	08/02/2010	21/09/2012
Working and Effective	Skilled workforce	staff trained in the use of ICT systems and paper/manual processes and supported by procedure notes where appropriate	Simon Davey	30/10/2009	21/09/2012

**Responsible Officer: Glenn Foord**

**Review Note:**

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Management of investments** Security of the Council's surplus cash resources, with the preservation of the capital sum, is of paramount importance. The objective of is to optimise investment returns commensurate with the containment of risk

<b>Pure Status: High (16)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (8)</b>	<b>Residual Risk Impact: Major</b>	<b>Residual Risk Likelihood: Unlikely</b>
<b>Date Identified: 02 Oct 2009</b>		<b>Service: Finance</b>

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
Working and Effective	Investments made - CHAPs Payments	Any investments made direct by council staff are approved by a senior officer, any associated investment is authorised through an electronic control process (password and security code) to release funds	Simon Davey	05/10/2009	21/09/2012
Working and Effective	Lending lists and investment limits	The Strategy includes detailed procedures including authorised lending institutions and investment limits. These steps are designed to limit the council's exposure in the event of an institution failing.	Simon Davey	05/10/2009	21/09/2012
Working and Effective	Reconciliation, monitoring and performance reporting	supporting documents detailing investments made and repaid to be reconciled with the main accounting system and together with the portfolio managers report investment performance is to be monitored and	Simon Davey	29/10/2009	21/09/2012
Working and Effective	Retention of records	Records relating to the purchase/sale of investments together with portfolio performance reports from the Council's Fund Manager to be retained in accordance with the retention and disposal of documents	Simon Davey	29/10/2009	21/09/2012
Working and Effective	Treasury Management Strategy and associated procedures	The Council has an up to date Strategy with detailed associated procedures which are followed	Simon Davey	02/10/2009	21/09/2012

**Responsible Officer: Laurelie Gifford**

**Review Note:**

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Business sustainability of LED** Failure of LED through budget, legal, or reputational issues

<b>Pure Status: Medium (6)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Unlikely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Unlikely</b>
<b>Date Identified: 13 Oct 2009</b>		<b>Service: Finance</b>

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Ad hoc audit of LED data and budgets	Ad hoc audit of LED data and budgets	Simon Davey	14/10/2009	21/09/2012
Working and Effective	Annual committee scrutiny	annual budget and operational report to Council committee	Simon Davey	14/10/2009	21/09/2012
Working and Effective	Member reps on LED Board	early information of risks	Simon Davey	14/10/2009	21/09/2012
Working and Effective	Quarterly monitoring of SLA	monitoring all the SLA reports	Simon Davey	14/10/2009	21/09/2012

**Responsible Officer: Simon Davey**

**Review Note:**

**Risk: Reduction in Housing Benefit subsidy** to avoid reduction in the level of housing benefit subsidy received as a result of high level of 'local authority error', the incorrect calculation of amounts due

<b>Pure Status: High (16)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (8)</b>	<b>Residual Risk Impact: Major</b>	<b>Residual Risk Likelihood: Unlikely</b>
<b>Date Identified: 30 Oct 2009</b>		<b>Service: Finance</b>

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	level of subsidy due monitored	the level of subsidy due monitored on a regular basis	Libby Jarrett	30/10/2009	21/09/2012
Working and Effective	sample testing	on a regular and routine basis a sample of Processed claims are accuracy checked	Libby Jarrett	30/10/2009	21/09/2012
Working and Effective	Staff development	staff are fully trained on the implications of incorrect calculation of benefit	Libby Jarrett	30/10/2009	21/09/2012

**Responsible Officer: Libby Jarrett**

**Review Note:**

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Housing Benefit take up** To help alleviate hardship the availability of housing benefit by promoted through take up campaigns

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Significant</b>	<b>Residual Risk Likelihood: Likely</b>

**Date Identified: 30 Oct 2009** **Service: Finance**

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Not Effective	use of data	using published and locally sourced data identify possible mismatches in areas/wards of low income levels low benefit take up	Libby Jarrett	30/10/2009	21/09/2012
Working and Effective	working with others	to work with other agencies to indentify target audiences and the delivery of take up campaigns	Libby Jarrett	30/10/2009	21/09/2012

**Responsible Officer: Libby Jarrett**

**Review Note:**

**Risk: Localisation of Council Tax Benefit** New scheme to be implemented by 01/04/2013. This will have a 10% reduction of existing funding but will require us to safeguard certain groups; pensioners and the vulnerable. A scheme is being designed which is cost neutral to the Council. There is a risk that are estimates are incorrect impacting on the Council's finance and reputation.

<b>Pure Status: High (16)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Unlikely</b>

**Date Identified: 30 Mar 2012** **Service: Finance**

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Consultation	Ongoing discussions with software suppliers, claimants and stakeholders (DCC, Police and Fire)	Simon Davey	31/03/2012	21/09/2012
Working and Effective	Funding	The government has provided additional administrative grant to help implement the scheme.	Simon Davey	31/03/2012	21/09/2012
Working and Effective	Project in Place	Officers across Devon are working together to implement cost nutral scheme. Project Plan and outside consultancy in place to help.	Simon Davey	31/03/2012	21/09/2012

**Responsible Officer: Simon Davey**

**Review Note:**

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Business Rate Retention Scheme for local authorities** It is proposed from 01/04/13 that local authorities will maintain a proportion (likely 50%) of their business rates to support Council funding. Any increase comes as a benefit but any reductions are also held with the Council. The financial risk of growth or decline is now held at a local level rather than smoothed out at a national level.

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Likely</b>			
<b>Residual Status: Medium (8)</b>	<b>Residual Risk Impact: Major</b>	<b>Residual Risk Likelihood: Unlikely</b>			
<b>Date Identified: 20 Sep 2012</b>		<b>Service: Finance</b>			
<b>Control Action records</b>					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	Being informed	We will be closely working with NNDR2 Team and Valuation Office to ensure members are made aware of any effects on the Council's financial position.	Simon Davey	21/09/2012	<b>21/09/2012</b>
in Planning / Progress	Ensure appropriate reserves are in place	It will be ensured that the Council will maintain appropriate reserve levels to accommodate any unforeseen losses in income.	Simon Davey	21/09/2012	<b>21/09/2012</b>
in Planning / Progress	Maximise receipts	We are currently considering a Devon Pooling Model in order to maximise receipts to the Council	Simon Davey	21/09/2012	<b>21/09/2012</b>
<b>Responsible Officer: Simon Davey</b>					
<b>Review Note:</b>					

**Risk: Home Safeguard system failure** An IT failure would result in the Council being unable to receive emergency calls from clients with Home Safeguard alarm equipment installed in their homes. This could result in emergency calls remaining unanswered and the worst case scenario of a death of an elderly or vulnerable client.

<b>Pure Status: High (16)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Very Likely</b>			
<b>Residual Status: Medium (8)</b>	<b>Residual Risk Impact: Major</b>	<b>Residual Risk Likelihood: Unlikely</b>			
<b>Date Identified: 01 Oct 2009</b>		<b>Service: Housing</b>			
<b>Control Action records</b>					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Disaster recovery process	Ability to transfer calls to Burnside office in Exmouth	John Golding	01/10/2009	<b>25/09/2012</b>
Working and Effective	Maintenance contract	Contract with software supplier with 4 hour response time.	John Golding	01/10/2009	<b>25/09/2012</b>
Working and Effective	Staff trained on system failure	Staff manual and training provided for staff to action in an emergency	John Golding	01/10/2009	<b>25/09/2012</b>
Working and Effective	Upgraded / New UPS system	Upgrade and installation of new UPS system at same time as PNC6 system installed to ensure no break in service/availability in power/back up is experienced.	John Golding	28/10/2009	<b>25/09/2012</b>
Working and Effective	UPS system	Uninterrupted Power Supply installed	John Golding	01/10/2009	<b>25/09/2012</b>
<b>Responsible Officer: Sue Bewes</b>					
<b>Review Note:</b>					

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Loss of Supporting People contracts and income** Loss of Supporting People contracts would mean a significant loss of income that part pays for the housing related support service received by our tenants in sheltered housing.

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (9)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 01 Oct 2009</b>		<b>Service: Housing</b>

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
Working and Effective	Compliance with contract conditions	Ensure that managers and staff are aware of the terms of the contract and actions required such as the returns and data we need to provide, and that these are provided on time.	John Golding	02/10/2009	25/09/2012
Working and Effective	District Work Model	100% mobile support service offered by April 2010 to comply with Supporting People Contract expectations with district offices being available for all staff to be located.	John Golding	28/10/2009	25/09/2012
Working and Effective	Older People Strategy	Ensure that we are making changes to our service consistent with the Supporting Older People Strategy.	John Golding	02/10/2009	25/09/2012
Working and Effective	Quality Assessment	Ensure that we are meeting the Quality Assessment Framework requirements and undertaking the necessary Support Plans and Risk Assessments for each client.	John Golding	28/10/2009	25/09/2012
Working and Effective	Supporting People Quality Assessment Framework	The last 'core objective' to be achieved for compliance with the Framework of Support needs identified at application point of contact for all new sheltered housing tenants.	John Golding	28/10/2009	25/09/2012

**Responsible Officer: Sue Bewes**

**Review Note:**

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Loss of rental income** Significant loss or non collection of rental income will have a major impact on the Housing Revenue Account and our ability to deliver housing services to our tenants.

**Pure Status: High (12)**      **Pure Risk Impact: Serious**      **Pure Risk Likelihood: Very Likely**

**Residual Status: Medium (9)**      **Residual Risk Impact: Serious**      **Residual Risk Likelihood: Likely**

**Date Identified: 01 Oct 2009**

**Service: Housing**

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Intervention when arrears occur	Clear and robust procedures for intervention when tenant arrears escalate beyond a specified level.	John Golding	28/10/2009	25/09/2012
Working and Effective	New tenancy 'sign up'	Early guidance to new tenants on expectations for rent payments and the implications of non payment. Tenant Handbook and Systems Thinking redesign emphasises this approach.	John Golding	02/10/2009	25/09/2012
Working and Effective	Patch working	Internal Audit will be consulted before any changes in operational practice is implemented through Systems Thinking Redesign.	John Golding	12/05/2010	25/09/2012
Working and Effective	Procedures for income management	Comprehensive and up to date procedures for income management that staff are trained in and understand fully.	John Golding	28/10/2009	25/09/2012
Working and Effective	Rent payment methods	Operating a number of payment methods for tenants including direct debit availability for all tenants.	John Golding	28/10/2009	25/09/2012
Working and Effective	Segregation of duties	Annual audit reports refer to segregation of duties (rent collection and debt creation) and this is a mitigated risk in a small Rental Section where existing controls attempt to prevent fraud.	Peter Richards	12/05/2010	25/09/2012
Working and Effective	Systems Thinking Regime	Tenant Handbook and Systems Thinking redesign.	John Golding	02/10/2009	25/09/2012

**Responsible Officer: Sue Bewes**

**Review Note:**

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Failure of Responsive Repairs contractor** Failure of performance under the Partnering Agreement by one of our responsive repair contractors leading to an inability to perform day to day repairs to tenants homes.

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Unlikely</b>

**Date Identified: 01 Oct 2009** **Service: Housing**

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Ability to transfer work between contractors	Any difficulty with contractors can be resolved by utilising the other partner.	John Golding	02/11/2009	25/09/2012
Working and Effective	Contract conditions	Adherence to the contract conditions and close liaison with contractors.	John Golding	02/10/2009	25/09/2012
Working and Effective	Contract performance monitoring	Regular and comprehensive contract monitoring and use of satisfaction surveys. Tenants involved in contract monitoring.	John Golding	02/10/2009	25/09/2012
Working and Effective	Re-tendering of contract to select two contractors	Market testing to ensure that we select companies with strong financial capacity and robust business plans.	John Golding	15/09/2011	25/09/2012

**Responsible Officer: John Golding**

**Review Note:** New day to day repairs contractors appointed in July 2012. Two contractors - each with half the district. Reduced risk to Council of failure. Detailed financial checks undertaken prior to appointment.

**Risk: A major homelessness incident** Major homeless incident caused through fire, flood or some other major incident that stretches our resources and ability to house a large number of homeless households at one time.

<b>Pure Status: Medium (8)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Unlikely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Significant</b>	<b>Residual Risk Likelihood: Likely</b>

**Date Identified: 01 Oct 2009** **Service: Housing**

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Devon County Council	There is a relationship between East Devon District Council and the County when dealing with an emergency (their Emergency Planning Team), take over responsibility.	Simon Smale	02/11/2009	25/09/2012
Completed	Emergency and Rest Centre Plan	Follow the guidance provided in the Emergency Plan and plan for establishing a Rest Centre during a major incident.	John Golding	02/10/2009	25/09/2012
Working and Effective	Out of hours contact	Ensure that Home Safeguard have the necessary contact details for emergencies that occur outside normal office hours and that key staff are contactable.	John Golding	02/10/2009	25/09/2012
Working and Effective	Training for an emergency	Ensure staff likely to be called are familiar with what is expected of them during a major emergency.	John Golding	02/10/2009	25/09/2012

**Responsible Officer: John Golding**

**Review Note:** Have had some practice on putting the emergency plan procedures in place during flooding and fire.



## High and Medium Risks only with Control Action (SR & OR)

**Risk: Safeguarding Children** Failure to notify the responsible authority when staff suspect a child is at risk.

**Pure Status: High (12)**

**Pure Risk Impact: Major**

**Pure Risk Likelihood: Likely**

**Residual Status: Medium (9)**

**Residual Risk Impact: Serious**

**Residual Risk Likelihood: Likely**

**Date Identified: 01 Oct 2009**

**Service: Housing**

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Completed	Email reminder from Corporate Director	Following the audit review of the Council's arrangements for safeguarding children the Corporate Director has sent global email reminding staff to be vigilant.	John Golding	02/11/2009	25/09/2012
Working and Effective	Liaison with the Children's Trust	Close liaison and joint working with the Children's Trust and Social Services to ensure that we are up to date with developments in child protection.	John Golding	02/10/2009	25/09/2012
Working and Effective	Safeguarding Children Policy	Ensure that all staff are aware of the policy and their responsibility to report suspicions of the need for child protection.	John Golding	02/10/2009	25/09/2012
Completed	Staff training	DVD training available	John Golding	02/11/2009	25/09/2012

**Responsible Officer: John Golding**

**Review Note:** Safeguarding Policy updated in September. Regular reminders sent out to staff. Mandatory training and part of the welcome process.

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Safeguarding adults** A failure to take action when staff suspect a case of abuse of older people having regard to our Safeguarding Older People policy.

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Unlikely</b>
<b>Date Identified: 01 Oct 2009</b>		<b>Service: Housing</b>

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
No Data available	Control Removed	Control Removed by JJ - November 2009	John Golding	28/10/2009	<b>25/09/2012</b>
Working and Effective	Devon County 'Pathways'	Introduce SAP (single assessment process) for all residents in sheltered housing by April 2010.	John Golding	28/10/2009	<b>25/09/2012</b>
Working and Effective	Risk Assessments	Review and update Support Plans and Risk Assessments for all residents receiving nursing related support on an annual basis.	John Golding	02/10/2009	<b>25/09/2012</b>
Working and Effective	Safeguarding Older People Policy	Ensure all staff are aware of the adopted policy for spotting, reporting and dealing with suspected abuse situations.	John Golding	02/10/2009	<b>25/09/2012</b>
Working and Effective	Scheme Manager's Procedure Manual	all Scheme Managers are provided with a handbook/procedure manual to guide them	John Golding	28/10/2009	<b>25/09/2012</b>
Working and Effective	Training 'POVA' provided by Devon County Council	All staff who are in direct and indirect contact with vulnerable people to receive the POVA training with updates every three years through DCC Training Programme.	John Golding	28/10/2009	<b>25/09/2012</b>

**Responsible Officer: Sue Bewes**

**Review Note:**

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Lone working - Landlord Services** Failure to protect staff who are lone working in the community.

<b>Pure Status: High (16)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (8)</b>	<b>Residual Risk Impact: Major</b>	<b>Residual Risk Likelihood: Unlikely</b>
<b>Date Identified: 01 Oct 2009</b>		<b>Service: Housing</b>

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Bespoke Lone Working Arrangements	Each section within Housing have their own Lone Working procedures and practices. In most cases, in practice, the employee phones in and gives an update on their whereabouts during the day.	John Golding	28/10/2009	25/09/2012
Working and Effective	Health & Safety Advisor	The Council has an officer dedicated to ensuring the Health & Safety of Employees who gives advice where necessary.	John Golding	28/10/2009	25/09/2012
Working and Effective	Home Safeguard monitoring of lone workers	From April 2010 offer staff the lone worker monitoring facility through the PNC6 system at Home Safeguard.	John Golding	28/10/2009	25/09/2012
Working and Effective	Lone Working Policy and associated training	Ensure that all staff are aware of and follow the Lone Working Policy and procedures designed to protect their safety. Ensure all relevant staff attend training.	John Golding	02/10/2009	25/09/2012

**Responsible Officer: Sue Bewes**

**Review Note:**

**Risk: Failure to protect against tenancy fraud** Failure to protect the council and its existing and prospective tenants against tenancy fraud, which may be the granting of a property to an inappropriate person or where a tenant illegally sublets.

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (9)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 13 Oct 2009</b>		<b>Service: Housing</b>

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Occupancy checks on tenants in temporary and general accommodation	Periodic and targeted occupancy checks undertaken to determine the appropriate occupier is residing in the property.	Dennis Boobier	13/10/2009	25/09/2012
Working and Effective	Social housing fraud initiative	Subscribing to the national fraud prevention initiative and following Audit Commission advice.	Dennis Boobier	13/10/2009	25/09/2012
Working and Effective	Tenancy Fraud Strategy	Strategy agreed by the Housing Review Board to be implemented.	Dennis Boobier	04/05/2011	25/09/2012
Working and Effective	Tenancy 'sign up' checks	Undertaking a series of checks on identity and circumstances at tenancy 'sign up' to ensure the tenancy is being grant to an appropriate person.	Dennis Boobier	13/10/2009	25/09/2012

**Responsible Officer: Sue Bewes**

**Review Note:**

## High and Medium Risks only with Control Action (SR & OR)

**Risk: ICT services and capacity is insufficient to meet corporate needs.** ICT services and capacity is insufficient to meet corporate needs.

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Significant</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 02 Oct 2009</b>		<b>Service: Information Technology</b>

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
in Planning / Progress	Change capability	ICT Programme Board identifies, approves and monitors change projects conducted using ICT resources and determines priority and capacity.	Chris Powell	05/10/2009	21/09/2012
in Planning / Progress	ICT SLA	ICT Service level Agreement with services and discussion held regularly to ensure services are as required by the business.	Chris Powell	05/10/2009	21/09/2012
in Planning / Progress	IT user skills insufficient to take advantage of investment in IT.	The outcome of IT training and awareness sessions are measured using on-line tests to gain an indication of overall skills levels across the Council.	Chris Powell	05/10/2009	21/09/2012
in Planning / Progress	Skills of ICT resources	Skills and responsibility matrices are operate to identify what skills are required to maintain the ICT capability.	Chris Powell	05/10/2009	21/09/2012
Completed	Third party systems not delivering effectively	Regular Application Management Team (AMT) reviews help ensure that the application continues to deliver the needs of the Council.	Chris Powell	05/10/2009	21/09/2012
Completed	Voice and data capacity	Use of the voice and data lines is monitored using various systems with reports and issues investigated through the IMPACT process	Chris Powell	05/10/2009	21/09/2012

**Responsible Officer: Chris Powell**

**Review Note:** A variety of new technologies are being introduced over the next 2 years, many of them significant upgrades of existing systems required simply to keep pace with supplier maintenance contracts. Others are to take advantage of new ways of working. All require new skills and training of ICT staff. This puts pressure on budgets and resources. Planning is taking place to match skills with resources.

Also, with ICT resources scarce and demands increasing, new prioritisation processes are being investigated to enable SMT closer control on allocation of resources.

## High and Medium Risks only with Control Action (SR & OR)

### Risk: New Microsoft Technologies New Microsoft Technologies

<b>Pure Status: Medium (8)</b>	<b>Pure Risk Impact: Significant</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Significant</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 05 Jan 2012</b>		<b>Service: Information Technology</b>

#### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	Budgets		Chris Powell	05/01/2012	21/09/2012
Working and Effective	ICT Strategy		Chris Powell	05/01/2012	21/09/2012
in Planning / Progress	Training and project planning		Chris Powell	05/01/2012	21/09/2012

#### Responsible Officer: Chris Powell

**Review Note:** The latest Microsoft technology changes cover a whole range of products from anti-virus through to databases.

The change programme has been operating for several months focused on the "back end" technologies and all has gone well so far.

Some of the bigger risks will come with upgrade to Windows 7 but first we need to determine how best to deliver this new desktop. So while we are still in the planning phase the risks are somewhat unknown and hence the higher risk score at this moment.

### Risk: Budget cuts needed in ICT costs Budget cuts

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (9)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 05 Jan 2012</b>		<b>Service: Information Technology</b>

#### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	Investigate sharing ICT	Investigate sharing or combining ICT with other organisations	Chris Powell	05/01/2012	21/09/2012

#### Responsible Officer: Chris Powell

**Review Note:** The likelihood of EDDC sharing ICT services with another public sector organisation has increased. Chief Execs meeting on the 19th Oct will decide who wants to participate, with Plymouth and EDDC, in setting up a separate legal entity designed to deliver IT services. This will enable us to cut costs, reduce risk and improve capability.

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Move to a shared service may cause disruption** Potential move to an ICT shared service may disrupt the service

<b>Pure Status: Medium (9)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Likely</b>
<b>Residual Status: Medium (9)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 05 Jan 2012</b>		<b>Service: Information Technology</b>

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	Good programme and project management processes, skills and resources		Chris Powell	05/01/2012	21/09/2012

**Responsible Officer: Chris Powell**

**Review Note:** Shared ICT services are actively being sought as a means of cutting costs; reducing risks; and improving our capability for change. This is a major change and hence not without risk. The extent of the risk will be known in more detail when we embark on the change programme.

**Risk: Failure to comply with constitutional and legal requirements** Failure to implement adequate processes and/or obtain sufficient resources to ensure legislative compliance.

<b>Pure Status: Medium (9)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Unlikely</b>
<b>Date Identified: 28 Oct 2009</b>		<b>Service: Legal, Licensing and Democratic Services</b>

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Budgets	Seek resources to implement statutory change on annual basis	Rachel Pocock	29/10/2009	21/09/2012
in Planning / Progress	Keeping constitution updated	Report to annual council on proposed changes following request to all heads of service/directors to identify/amend delegations and constitutional processes as required in light of legislative change a	Denise Lyon	29/10/2009	21/09/2012
Working and Effective	Monitoring Officer carries out statutory duties	Reports to Council as necessary on existing or impending statutory breaches	Denise Lyon	29/10/2009	21/09/2012
in Planning / Progress	Service planning	Annual process; identify and implement any necessary changes to deal with legislative change including staffing	Rachel Pocock	29/10/2009	21/09/2012

**Responsible Officer: Rachel Pocock**

**Review Note:**

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Failure to develop, support and train elected and co-opted councillors** Members fail to carry out their representative, executive or regulatory functions effectively with the potential for legal challenge, financial and reputational loss.

<b>Pure Status: Medium (8)</b>	<b>Pure Risk Impact: Significant</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (8)</b>	<b>Residual Risk Impact: Significant</b>	<b>Residual Risk Likelihood: Very Likely</b>
<b>Date Identified: 28 Oct 2009</b>		<b>Service: Legal, Licensing and Democratic Services</b>

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Comprehensive Member Welcome (Induction) programme following elections	Implemented 4 yearly and as necessary where there are by-elections	Diana Vernon	29/10/2009	21/09/2012
Working and Effective	Councillors cannot service on regulatory committees without the relevant training	We have in place Local Performance Indicator L64 monitors % of councillors trained and the reason why less than 100% councillors have attended.	Diana Vernon	29/10/2009	21/09/2012
Working and Effective	Identifying training and development opportunities for all councillors	Record kept within democratic services; courses booked in consultation with Portfolio holder (Resources)	Diana Vernon	29/10/2009	21/09/2012
Working and Effective	Members' page on website	A secure area which provides links to training and development, resources from improvement sites such as IDEA and Ashridge management education	Diana Vernon	29/10/2009	21/09/2012

**Responsible Officer: Rachel Pocock**

**Review Note:**

**Risk: Missed court or tribunal deadlines** Missed court or tribunal deadlines resulting in court directions, deadlines or dates are overlooked.

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Unlikely</b>
<b>Date Identified: 28 Oct 2009</b>		<b>Service: Legal, Licensing and Democratic Services</b>

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	Monitoring of court communication and supply of instructions from clients	Use of Outlook and electronic file records being kept up to date; effective liaison with clients	Andrew Seddon	29/10/2009	21/09/2012

**Responsible Officer: Rachel Pocock**

**Review Note:**

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Failure to best protect the council's legal interests in litigation and/or non contentious work** Failure to advise on appropriate tactics and/or possible outcomes.

<b>Pure Status: High (12)</b>	Pure Risk Impact: Serious	Pure Risk Likelihood: Very Likely
<b>Residual Status: Medium (6)</b>	Residual Risk Impact: Serious	Residual Risk Likelihood: Unlikely
Date Identified: 28 Oct 2009		Service: Legal, Licensing and Democratic Services

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	In house legal skills kept up to date	Training and development	Andrew Seddon	29/10/2009	21/09/2012
Working and Effective	Sufficient legal staff (in house and/or consultants) available to meet needs	Budgetary and service planning processes; agreement by Chief Executive	Rachel Pocock	29/10/2009	21/09/2012

**Responsible Officer: Rachel Pocock**

**Review Note:**

**Risk: Failure to support ethical governance and standards within the council and parish councils** The risk of councillor Code of Conduct breaches and complaints to the Monitoring Officer will rise if she and her staff are not sufficiently proactive and/or adequately resourced in line with statutory requirements and duties.

<b>Pure Status: Medium (9)</b>	Pure Risk Impact: Serious	Pure Risk Likelihood: Likely
<b>Residual Status: Medium (6)</b>	Residual Risk Impact: Serious	Residual Risk Likelihood: Unlikely
Date Identified: 28 Oct 2009		Service: Legal, Licensing and Democratic Services

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Budgets	The Council has a statutory duty to ensure the Monitoring Officer is given the necessary resources to carry out her duties	Denise Lyon	29/10/2009	21/09/2012
Working and Effective	Monitoring Officer and staff to offer appropriate training and development	Publicise resource materials available from Standards for England and other sources; run an update course annually	Rachel Pocock	29/10/2009	21/09/2012
Working and Effective	Standards Committee fulfilling its statutory and voluntary functions	Standards Committee deals with councillor Code of Conduct complaints and promotes ethical standards within the authority.	Denise Lyon	29/10/2009	21/09/2012

**Responsible Officer: Rachel Pocock**

**Review Note:**



## High and Medium Risks only with Control Action (SR & OR)

**Risk: Licensing function not functioning effectively** Licensing breaches (for example disturbance to neighbours caused by drinking after hours in public houses, or unlicensed taxis) may cause nuisance and/or health and safety hazards.

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Unlikely</b>
Date Identified: 28 Oct 2009		<b>Service: Legal, Licensing and Democratic Services</b>

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Inspections	Inspection of licensed premises and vehicles	John Tippin	29/10/2009	21/09/2012
No Data available	none		John Tippin	29/10/2009	21/09/2012
in Planning / Progress	Staff training and development	Service Plan, Performance Excellence reviews; staff 121s	John Tippin	29/10/2009	21/09/2012

**Responsible Officer: Rachel Pocock**

**Review Note:**

**Risk: Major Changes in Localism Act not implemented lawfully** Major Changes in Localism Act not implemented lawfully

<b>Pure Status: Medium (6)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Unlikely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Unlikely</b>
Date Identified: 05 Jan 2012		<b>Service: Legal, Licensing and Democratic Services</b>

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	Liaison with elected members	Close liaison with elected members to ensure any resource or organisational issues are addressed at an early stage	Rachel Pocock	05/01/2012	21/09/2012

**Responsible Officer: Rachel Pocock**

**Review Note:**

## High and Medium Risks only with Control Action (SR & OR)

<b>Risk: Inadequate resources in the legal service</b> Inadequate resources on the legal service to meet the workload					
<b>Pure Status: Medium (6)</b>		<b>Pure Risk Impact: Significant</b>		<b>Pure Risk Likelihood: Likely</b>	
<b>Residual Status: Medium (6)</b>		<b>Residual Risk Impact: Significant</b>		<b>Residual Risk Likelihood: Likely</b>	
<b>Date Identified: 03 Feb 2012</b>				<b>Service: Legal, Licensing and Democratic Services</b>	
<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
Working and Effective	Use of other staff	Use of temporary staff and/or outsourcing as appropriate	Rachel Pocock	03/02/2012	21/09/2012
<b>Responsible Officer: Rachel Pocock</b>					
<b>Review Note:</b>					

<b>Risk: Absence management</b> Loss of productivity and adverse impact on colleagues and customers through high staff absence.					
<b>Pure Status: High (12)</b>		<b>Pure Risk Impact: Serious</b>		<b>Pure Risk Likelihood: Very Likely</b>	
<b>Residual Status: Medium (6)</b>		<b>Residual Risk Impact: Significant</b>		<b>Residual Risk Likelihood: Likely</b>	
<b>Date Identified: 14 Sep 2009</b>				<b>Service: Org Dev</b>	
<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
Working and Effective	Case management and trigger reports	HR team manage their own cases with managers. Trigger reports provide the basis for regular discussions between HR and managers to determine the course of action which we should be taking in each ind	Karen Jenkins	15/09/2009	21/09/2012
Working and Effective	Happy Healthy Here and well being activity	This activity is aimed at ensuring employee well being by offering Happy Healthy Here opportunities which provide education and advice to staff on health issues. These include keep fit, smoking cessation advice and health checks. STaff pay for any activity which incurs a cost.	Karen Jenkins	15/09/2009	21/09/2012
Working and Effective	Monthly monitoring of Absence by Executive Board	This is calculated in average days per person.	Karen Jenkins	15/09/2009	21/09/2012
Working and Effective	Quarterly reports	If absence exceeds 8 days annually quarterly absence report goes to SMT, Cabinet and to Overview and Scrutiny. This identifies absence levels, trends and action.	Karen Jenkins	15/09/2009	21/09/2012
Working and Effective	Return to work interviews	Managers are required to undertake return to work interviews to review absence and manage issues going forward.	Karen Jenkins	15/09/2009	21/09/2012
<b>Responsible Officer: Karen Jenkins</b>					
<b>Review Note:</b> Medium and long term absences have created an increase in absence in the first two quarters of 2012. Following the return to work of some of those on extended absences, we are optimistic that the rest of the year will see an improvement in absence rates.					

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Failure to manage the Council's reputation through engagement with the press** This risk is associated with the need to communicate effectively externally to promote the Council and safeguard its reputation.

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Significant</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 17 Sep 2009</b>		<b>Service: Org Dev</b>

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	Communication Officer in post	<p>The Communication Officer deals with external PR and press to help manage the Council's reputation and communicate the services that the Council provides.</p> <p>Currently this resource is insufficient and EDDC needs to manage reputation more effectively through proactive communications. Recommendations have been made to Cabinet for an additional resource which will implement the revised Communication Plan.</p>	Karen Jenkins	18/09/2009	21/09/2012

**Responsible Officer: Karen Jenkins**

**Review Note:** Following the review of our communications function an action plan has been put in place to improve our reputation. This includes greater presence on social media sites, introduction of e-magazine and campaigns aimed at improving public awareness of the work the Council is doing. Our Communications and Public Affairs Manager commences on 1 November 2012. Following his start date, we will hold regular press conferences and Member briefings to help ensure EDDC is managing its reputation more actively.

**Risk: Failure to ensure community engagement** The Council needs to ensure community engagement to deliver our vision of 'outstanding and sustainable quality of life for everyone in East Devon'.

<b>Pure Status: High (16)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Unlikely</b>
<b>Date Identified: 17 Sep 2009</b>		<b>Service: Org Dev</b>

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	Community Engagement Policy	This policy outlines how the Council ensures that it involves local persons or their representatives in routine functions and one off decisions.	Karen Jenkins	18/09/2009	21/09/2012

**Responsible Officer: Jamie Buckley**

**Review Note:**

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Staff engagement and morale** Staff engagement and morale

<b>Pure Status: Medium (6)</b>	<b>Pure Risk Impact: Significant</b>	<b>Pure Risk Likelihood: Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Significant</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 05 Jan 2012</b>		<b>Service: Org Dev</b>

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Continued action planning from Staff Engagement Survey		Karen Jenkins	05/01/2012	21/09/2012
Working and Effective	Good working practices that support staff		Karen Jenkins	05/01/2012	21/09/2012
in Planning / Progress	Seeking Gold IIP accreditation		Jo Avery	31/03/2012	21/09/2012

**Responsible Officer: Karen Jenkins**

**Review Note:** We are working very hard to retain a positive working environment despite significant challenges created by key roles being unfilled and the uncertainty over future pay increases. We are currently running staff awareness seminars aimed at keeping staff fully informed and engaged and our forthcoming liP gold assessment is considered to be a key tool for improving staff morale.

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Failure to ensure required standards of construction and safety within the District.** Failure to ensure adequate standards could result in a variety of different scenarios ranging from a loss of public confidence and a down-turn in service provision to the injury or death of a citizen.

<b>Pure Status: High (16)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (8)</b>	<b>Residual Risk Impact: Major</b>	<b>Residual Risk Likelihood: Unlikely</b>
<b>Date Identified: 05 Aug 2009</b>		<b>Service: Planning</b>

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
in Planning / Progress	Building Control Manager Post	Building Control Manager post to be filled, which is currently covered by the Principal Building Control Surveyor.	Paul Seager	23/03/2010	<b>21/09/2012</b>
No longer required	Charter Mark	Maintain 3 year Charter Mark Action Plan - now named Customer Service Excellence Award.  This has been completed and no longer required as Corporate decision not to renew Charter Mark accreditation.	Paul Seager	05/08/2009	<b>21/09/2012</b>
Working and Effective	Dangerous Structures	Maintain formal dangerous structures & demolition 'out of hours' rota and payment for overtime system.	Paul Seager	05/08/2009	<b>21/09/2012</b>
in Planning / Progress	Dangerous Structures	Policy and Procedure review relating to Dangerous Structures and Enforcement.	Paul Seager	23/03/2010	<b>21/09/2012</b>
in Planning / Progress	Improve ICT Systems	Maintain, develop and improve ICT systems to facilitate remote working for mobile and ensure business continuity management	Donna Bedwell	05/08/2009	<b>21/09/2012</b>
Working and Effective	Insurance	Ensure adequate insurance (corporate and personal/professional indemnity)	Paul Seager	05/08/2009	<b>21/09/2012</b>
in Planning / Progress	New Technology	As the technology becomes available Building Control need to be equipped appropriately to do their job.	Paul Seager	23/03/2010	<b>21/09/2012</b>
Completed	Quality Management System	Introduce & maintain Quality Management System and registration under BS ISO 9001:2008	Paul Seager	05/08/2009	<b>21/09/2012</b>

**Responsible Officer: Paul Seager**

**Review Note:**

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Safety of employees on site visits** Safety of employees and/or others could be jeopardised by a number of different variables, including working on dangerous construction sites, working in isolated properties and working 'out of hours'.

<b>Pure Status: High (16)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (8)</b>	<b>Residual Risk Impact: Major</b>	<b>Residual Risk Likelihood: Unlikely</b>
<b>Date Identified: 05 Aug 2009</b>		<b>Service: Planning</b>

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Adequate Insurance	Ensure adequate insurance cover is maintained for all staff members and members of the public	Paul Seager	05/08/2009	21/09/2012
Working and Effective	End of day call in system in place		Paul Seager	26/08/2011	21/09/2012
Working and Effective	Mobile Communications	Improve mobile communications and ensure management responsibilities are maintained when staff are doing lone working. Management procedures in place for contact with staff who are working out of the	Paul Seager	05/08/2009	21/09/2012
Working and Effective	Regular review of lone workers procedures		Paul Seager	26/08/2011	21/09/2012
in Planning / Progress	Training	Ensure adequate training is available and taken up. Construction Skills Certification Scheme. (Health & Safety) Training is planned for future.	Paul Seager	05/08/2009	21/09/2012

**Responsible Officer: Paul Seager**

**Review Note:**

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Perceived reputation of the service by local community causes preventable demand through complaints** Perceived reputation of the service by local community causes preventable demand through complaints.

<b>Pure Status: Medium (6)</b>	<b>Pure Risk Impact: Significant</b>	<b>Pure Risk Likelihood: Likely</b>
<b>Residual Status: Medium (9)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 26 Aug 2011</b>		<b>Service: Planning</b>

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
Working and Effective	Formal Complaint System	Formal Complaint System	Ed Freeman	26/08/2011	21/09/2012
Completed	Overview & Scrutiny TAFF review of planning system.	Overview & Scrutiny TAFF review of planning system.	Ed Freeman	26/08/2011	21/09/2012
Working and Effective	Performance Management with real time data	Performance Management with real time data	Ed Freeman	26/08/2011	21/09/2012
Working and Effective	Systems review of conservation service	Systems review of conservation service	Ed Freeman	26/08/2011	21/09/2012
Working and Effective	Team management of cases	Team management of cases	Ed Freeman	26/08/2011	21/09/2012

**Responsible Officer: Ed Freeman**

**Review Note:** Planning is a highly controversial area of the Council's work and many decisions affect and large number of people. Government statements have raised the public expectation of how they can influence planning decisions when this is not backed up by legislation. There is therefore a significant risk to reputation, however this cannot be avoided.

**Risk: Failure to Produce Local Plan by end of 2012 could result in development in an unplanned fashion** Failure to Produce Local Plan by end of 2012 could result in development in an unplanned fashion

<b>Pure Status: Medium (9)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Likely</b>
<b>Residual Status: Medium (6)</b>	<b>Residual Risk Impact: Significant</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 26 Aug 2011</b>		<b>Service: Planning Policy</b>

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
Completed	Preferred options feedback assessed	Preferred options feedback assessed	Matt Dickins	26/08/2011	21/09/2012
Completed	Programme of Futures Panel set up to assess evidence base.	Programme of Futures Panel set up to assess evidence base.	Matt Dickins	26/08/2011	21/09/2012
Not Effective	Review Staff resources	Review Staff resources	Matt Dickins	26/08/2011	21/09/2012
Completed	Work Programme mapped out	Work Programme mapped out	Matt Dickins	26/08/2011	21/09/2012

**Responsible Officer: Matt Dickins**

**Review Note:** Slight delay in timetable will mean that the 2012 adoption will not happen - adoption expected in 2013

## High and Medium Risks only with Control Action (SR & OR)

**Risk: Failure to maintain Street Scene Assets** Maintain the assets managed by Street Scene to a standard which ensure that they are safe and fit for purpose.

<b>Pure Status: High (16)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (9)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 21 Sep 2009</b>		<b>Service: StreetScene</b>

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	Ascertain ownership	Implement a mechanism to establish which section within Street Scene owns each asset. Current action being undertaken is to investigate DTE data collection and management following the implementation of DTE Play subject to capital investment.	Keith Steel	21/09/2009	21/09/2012
in Planning / Progress	Digitally map and survey assets to establish their state of repair.	This work is ongoing. Tasks have been prioritised but are dependent upon revenue and capital budget allocation.	Keith Steel	21/09/2009	21/09/2012
Working and Effective	Planned and reactive maintenance programmes for Property Assets	Property assets have both planned and reactive maintenance programmes funded through revenue and capital budgets. This work is ongoing.	Brian Kohl	21/09/2009	21/09/2012
Not Effective	Programme of inspection for Car Parks, Play Grounds and Bridges	The DTE computer system is being upgraded with the PLAY module and once this has happened, data from inspections can be captured and retained.	Keith Steel	31/03/2010	21/09/2012
Working and Effective	Programme of inspection for Council-owned trees	Council-owned trees have a programme of inspection where work has been identified to meet public safety requirements. Ongoing	Andrew Hancock	21/09/2009	21/09/2012
Working and Effective	Programme of inspection for Memorials and Cemetary Maintenance	Memorials and cemeteries are inspected on a regular basis. If memorials are found to be unstable / in a poor state work is carried out to make them safe. Funded out of current revenue budget. This work was started in 2009 and completed in March 2010. Inspections will start again in 2014/15 when capital funding will be required.	Andrew Hancock	21/09/2009	21/09/2012
Not Effective	Programme of inspection for Structures and infra-structure	Some structures and infra-structure is inspected on a regular basis and have a programme of planned maintenance in place. This needs to be expanded to include all structures and infra-structure. Awaiting implementation of PLAY module on DTE system which could be used to capture information. This is subject to capital funding.	Keith Steel	21/09/2009	21/09/2012

**Responsible Officer: Andrew Hancock**

**Review Note:**



## Low and no data risks (SR & OR)

Annual report for 2012/2013

Arranged by Service

Filtered by Flag: Include: Strategic Risks, Operational Risk

Exclude: Archive

Filtered by Performance Status: Include Risk Status: No Data, Low

Key to Performance Status:

Risks: No Data (0+) High (12+) Medium (6+) Low (1+)

### Low and no data risks (SR & OR)

Service: Econ Dev

#### Risks

Status	Title	Description	Notes
Low (4)	<u>Failure to ensure the cleanliness of public buildings</u>	Maintain the cleanliness of public buildings to an acceptable standard	
Low (4)	<u>Danger to users of Public Buildings including Legionella and Asbestos</u>	Danger to users of Public Buildings including Legionella and Asbestos	
Low (4)	<u>Securing up-front funding for major infrastructure in the west end</u>	Securing up-front funding for major infrastructure in the west end to serve both East Devon and Exeter's needs.	Meeting has taken place with Housing Minister. Further announcements likely to be made in the Autumn. Forward funding has been offered by the Heart of the South West LEP for the Science Park Centre.

Service: Planning

#### Risks

Status	Title	Description	Notes
Low (3)	<u>Loss of building control fee income to "Approved Inspectors"</u>	Loss of income due to various circumstances, including the loss of business to the private sector and the impact of 'Approved Inspectors' operating in the area.	
Low (4)	<u>Failure of correct procedures and practices causing challenges to decisions.</u>	Failure of correct procedures and practices causing challenges to decisions.	

Service: Planning Policy

#### Risks

Status	Title	Description	Notes

## Low and no data risks (SR & OR)

### Service: Planning Policy

#### Risks

Status	Title	Description	Notes
Low (4)	<b><u>Failure to implement a Community Infrastructure Levy (CIL) charging schedule by 2014</u></b>	Failure to implement a Community Infrastructure Levy (CIL) charging schedule by 2014 (mandatory start date)	
Low (4)	<b><u>Lack of funding and other resources for neighbourhood planning work</u></b>	Lack of funding and other resources for neighbourhood planning work	

### Service: Countryside

#### Risks

Status	Title	Description	Notes
Low (2)	<b><u>Arboricultural professional liability for dangerous trees</u></b>	The granting of a TPO (Tree Preservation Order) to a tree which is in a dangerous state could result in a landowner mitigating his responsibility by citing the Council. Trees not receiving the attention and protection they need and or accident or incident on Council land or Local Nature Reserve.	
Low (4)	<b><u>Safety of staff using dangerous equipment</u></b>	Safety of staff using dangerous equipment off-site, on nature reserves and other countryside land.	

### Service: Env Health

#### Risks

Status	Title	Description	Notes
Low (4)	<b><u>Failure to carry out public health duties and powers effectively</u></b>	The functions of the environmental health service center upon protection of public health. Failure to carry out these functions appropriately will expose the Council to risk to reputation, legal and financial risks	
Low (4)	<b><u>Incorrect decisions on contaminated land</u></b>	Failure to correctly address areas of contaminated land which could risk the health of residents and expose the Council to litigation and financial claims.	
Low (4)	<b><u>Failure to carry out Food Safety and Health and Safety enforcement effectively</u></b>	Failure to carry out an effective enforcement regime could result in injury or ill health to residents and damage the reputation of the Council.	

### Service: StreetScene

#### Risks

Status	Title	Description	Notes
Low (3)	<b><u>Failure to maintain a clean and safe environment -</u></b>	Failure to maintain a clean and safe environment because of a lack of fleet, machinery and/or plant and	Risk Assess Assets - risk assessments across the operations of StreetScene are

## Low and no data risks (SR & OR)

### Service: StreetScene

#### Risks

Status	Title	Description	Notes
	<b><u>fleet, machinery, plant and play equipment</u></b>	also failing to maintain play equipment to acceptable safety standards.	established but require review. Some learning from SSDC is possible and use of a system such as theirs which corporately reviews all risk assessments would be good.
Low (4)	<b><u>A failure to effectively manage on-street and off-street Civil Parking Enforcement</u></b>	The Council needs to effectively and efficiently manage its civil parking enforcement (on-street and off-street). If the mechanisms in place to manage this function were to be compromised then fees would decline and the income received would become less. This would exacerbate financial problems.	
Low (4)	<b><u>Failure to ensure adequate sea defences and flood alleviation schemes</u></b>	Failure of Council-owned sea defences and flood alleviation schemes resulting in flood damage to property and risk to life and limb. Also, failure to develop newly identified sea defences and flood alleviation schemes due to them not meeting nationally assessed requirements to attract funding.	
Low (2)	<b><u>The continuity of the refuse and recycling service</u></b>	Failure of the contractors to deliver the service through strike action, company liquidation, legal prohibitions and/or other similar circumstances that render this contractor unable to continue with the contract.	

### Service: Audit

#### Risks

Status	Title	Description	Notes
Low (3)	<b><u>The provision of an efficient and effective audit and governance service by SWAP</u></b>	Failure to provide an efficient and effective audit and governance service, with the right mix of professional staff to cope with the wide variety of complex and contentious work contained within the plans of the Service will have an adverse effect on the Council's governance arrangements.	
Low (4)	<b><u>Fraud, theft and/or irregularity of physical assets</u></b>	The risk of theft and or irregularity with regards the Council's physical assets, including mis-use of assets, and the opportunities to disguise and cover up the theft and/or irregularity.	

## Low and no data risks (SR & OR)

### Service: Audit

### Service: Finance

#### Risks

Status	Title	Description	Notes
Low (2)	<b><u>Funding from grants not received risk impacting on the Council budget</u></b>	That the Council does not receive grants and contributions to which it is entitled to meet, or help meet, its expenses having a negative impact on the Council's budget.	
Low (3)	<b><u>Security of cash in transit</u></b>	Failure to ensure the security of cash and the physical safety of those who transport it.	
Low (3)	<b><u>Electronic transfer/payment of monies</u></b>	Failure to ensure the correct amounts are paid and reach the correct destination.	
Low (4)	<b><u>Failure to set a Council Budget</u></b>	Failure to set a budget on time which provides the finances to deliver the Council's strategy and services for its customers would lead to financial crisis and damage the Council's reputation.	
Low (4)	<b><u>Failure to monitor budgets</u></b>	Failure to keep the Council's spending within approved budgets and resources available to it could lead to financial and reputational ruin.	
Low (3)	<b><u>If the Council does not prudentially borrowing there could be a serious impact on its budget</u></b>	Councils are able to borrow money based on their own calculation of affordability, rather than Government controlled as before. There is a risk that the Council could over borrow with consequences on its revenue budget.	
Low (4)	<b><u>Delay in processing and administrating Housing Benefit payments</u></b>	Failure to pay the correct amount to the right person on time.	
Low (4)	<b><u>Failure to collect all income due to the council - council tax, business rates, rent &amp; fines</u></b>	Failure to calculate, record, bill and collect sums due to the council from taxpayers and businesses, rent due and car parking fines could have a negative impact on the Council's budget.	
Low (4)	<b><u>If the Council does not have adequate insurance in place losses incurred could not be accommodated</u></b>	If the Council does not have adequate insurance in place there is a risk that losses incurred could not be accommodated within financial reserves held by the Council.	
Low (4)	<b><u>HRA Business Plan</u></b>	A new financial regime has been introduced for the HRA which has the advantage of the Council keeping all its revenue, however there is no longer a fall back to government if income or expenditure significantly alters to that envisaged.	

### Service: Housing

#### Risks

Status	Title	Description	Notes

## Low and no data risks (SR & OR)

### Service: Housing

#### Risks

Status	Title	Description	Notes
Low (4)	<b><u>Fraud re housing grants</u></b>	Without appropriate controls on approving grants and monitoring budgets there is risk of fraud and to the Councils finances	Significant changes have occurred this year in our processing of housing grants to ensure that there is a lower risk of fraud.
Low (4)	<b><u>New-Build Council Homes</u></b>	The risks associated with being a developer of council homes, especially with regards potential abortive costs, cost overruns, failure to obtain planning permission and loss of HCA grant.	Getting more experienced at this work
Low (4)	<b><u>Failure to achieve Housing Strategy targets</u></b>	Housing Strategy not being 'fit for purpose' and/or targets and actions contained within the action plan are not delivered, damaging our reputation and the housing opportunities for residents.	
Low (4)	<b><u>Failure to provide accurate or helpful housing/homelessness advice</u></b>	Erroneous or incorrect housing advice given which could result in a tenant or owners losing their home and/or the Council failing to fulfill its legal duties. This could result in adverse publicity and/or legal action, or an Ombudsman complaint upheld against us.	Partnership working with other Devon DC's key to developing good practice. Shelter Quality Standards Framework assessment tool reviewed regularly and compared with other Devon DC's Joint working/best practice development ongoing
Low (4)	<b><u>Maintain a Housing Register</u></b>	Comply with the legislation and guidance in respect of access to housing through a Housing Register.	Part of Devon Home Choice Partnership. Maintain housing register through the Abritas System. Letting of our empty properties is more objective and transparent than previously through EDDC CBL scheme
Low (4)	<b><u>Fraud re Rent Collection</u></b>	Lack of segregation of officers who create and collect debts gives rise to a potential for fraud.	
Low (3)	<b><u>Lone working - Housing Needs and Strategy</u></b>	Lone Working	Personal safety and lone working procedures in place. Issue regularly reviewed at team meetings and PERs

## Low and no data risks (SR & OR)

### Service: Housing

#### Risks

Status	Title	Description	Notes
Low (2)	<u>Lone Working - Private Sector Housing</u>	Lone Working	A review of our lone working procedures has been carried out and where appropriate has been up dated.
Low (3)	<u>Loans taken out for self-financing</u>	Ability to repay debt on loans taken out under the self-financing regime introduced by the Localism Act	Low interest fixed rate loans were taken out and debt payments factored into the HRA Business Plan.
Low (4)	<u>Right to Buy</u>	Right to Buy sales differ from the predictions in the HRA Business Plan	Changes to RTB legislation have been implemented and we have signed up to reinvesting RTB receipts.
Low (4)	<u>Unforeseen expenditure on council homes</u>	Unplanned need to spend on repairs and maintenance	Up to date HRA Business Plan with risk and sensitivity analysis. Better awareness of costs and improved budget monitoring processes.

### Service: Information Technology

#### Risks

Status	Title	Description	Notes
Low (4)	<u>ICT support capability</u>	Capability to provide user support for incidents and service requests.	with recent changes to processes and staff the Support and Operations capability has improved hugely. However, the variety of new systems and technology being introduced has placed a burden on the team to manage the change and "business as usual" activities which has increased the risk of failure slightly.
Low (2)	<u>IT Systems meet the Council business needs</u>	IT systems must be procured, developed and managed in order to meet the needs of the service units across the council.	There is a good working relationship between the Service leaders and the ICT Business Solutions team which ensures that advances in technology are discussed at the right level and any change that is considered advantageous to the Council is brought forward in a business case for review by SMT.
Low (4)	<u>ICT Change Management</u>	Upgrades and improvements to IT systems are constantly required. With any change there is an inherent risk of disruption and error and so processes need to be in place	The change management processes have been in place for at least three years, are stable and being constantly monitored and improved.

## Low and no data risks (SR & OR)

### Service: Information Technology

#### Risks

Status	Title	Description	Notes
		to mitigate for this.	

### Service: Electoral Services

#### Risks

Status	Title	Description	Notes
Low (3)	<b><u>Incapacitation of all staff for protracted period re Elections</u></b>	In the event that all election staff were absent for a prolonged period the Council would fail to complete the canvass, fail to publish a revised register and fail to produce accurate data and registers for elections. In the event that the Electoral Services Officer/Manager was absent for a prolonged period it is unlikely that existing staff resources would accept managerial responsibilities.	

### Service: Legal, Licensing and Democratic Services

#### Risks

Status	Title	Description	Notes
Low (4)	<b><u>Failure to promote democratic engagement</u></b>	Not working with towns and parish councils, young people and others to develop participation in and influence upon the development of the Council's democratic and decision-making processes.	
Low (4)	<b><u>Failure to plan and organise meetings in line with statutory requirements</u></b>	A risk of missing statutory deadlines through a lack of organisation or effective communication with/by other services.	
Low (4)	<b><u>Council officers and/or members fail to take legal advice</u></b>	Financial, reputational and legal losses may result from illegal and/or unlawful actions.	
Low (4)	<b><u>Failure to engage staff in organisational change</u></b>	Uncertainty of local government structure and/or plans for internal change within the authority not managed well by the authority.	

### Service: Org Dev

#### Risks

Status	Title	Description	Notes
Low (4)	<b><u>Workforce planning and development</u></b>	Planning and development activity to ensure we have the right people, with the right skills at the right time.	Risks to training are possible depending on forthcoming budgetary decisions. Currently per capita training is less than £50 but despite this we have ensured that training is provided through our partnerships and e-

## Low and no data risks (SR & OR)

Service: Org Dev

### Risks

Status	Title	Description	Notes
			learning. It is key that individuals are given the opportunity to continue to develop especially in an environment where there are few promotional opportunities and no pay increases.
Low (4)	<b><u>Compliance with employment legislation</u></b>	Ensuring that employment legislation is complied with in such a way that minimises the Council's risks of successful tribunal challenges, fines for contravening right to work legislation or problems with employee engagement/morale.	
Low (4)	<b><u>Failure to pay the right people, the right salary on time</u></b>	The payroll service pays salaries and administers benefits for EDDC, and two parish councils - Budleigh and Exmouth. Failure to pay people on time and correctly would result in employee morale issues, legal challenges and risks to reputation.	Ongoing risk that is unlikely with current team and systems.
Low (4)	<b><u>Failure to meet statutory duties in relation to payroll</u></b>	Failure to comply with statutory duty to submit all documentation relating to tax, national insurance, pensions and end of year documentation.	Ongoing risk, unlikely with current team and systems.
Low (4)	<b><u>Failure to process information in accordance with FOI and Data Protection legislation</u></b>	Failure to process information requests in accordance with legislation relating to Data Protection and Freedom of Information can lead to financial fines as well as risk to reputation.	
Low (4)	<b><u>Failure to manage and monitor organisational performance may compromise the Council's reputation</u></b>	A failure to monitor performance may result in customer complaints, poor service delivery and may compromise the Council's reputation. Need to ensure that organisational performance is monitored internally using a range of leading and lagging performance measures.	
Low (4)	<b><u>Failure to properly administer the</u></b>	Failure to properly administer the pension scheme for the	Risk is ongoing but unlikely with current team and systems.



## Low and no data risks (SR & OR)

### Service: Org Dev

#### Risks

Status	Title	Description	Notes
	<b><u>Local Government Pension Scheme</u></b>	administering authority Devon County Council which could result in failure to meet statutory duties and cause detriment to individuals within the scheme.	
Low (4)	<b><u>Employee screening</u></b>	Risk exists around incurring fines and employing staff illegally which may put customers and vulnerable people at risk or employing people who do not have the right to work in the UK.	Processes in this area are well established. Following some changes in legislation this area will be reviewed.
Low (4)	<b><u>Industrial Action</u></b>	Industrial action relating to pension reform	

### Service: Strategic Risks

#### Risks

Status	Title	Description	Notes
Low (4)	<b><u>Adequate human resources</u></b>	The Council fails to plan and maintain resources at a level and skill to meet its key objectives and service requirements	
Low (4)	<b><u>Service provision jeopardised through unexpected major loss of income</u></b>	The Council suffers an unexpected major and irrecoverable loss of income (e.g. loss of government grant/subsidy or lower investment return due to lower interest rates)	Currently going through a tendering process for new external fund manager
Low (3)	<b><u>Council services are not delivered where and how customers need them</u></b>	Services do not consult effectively to ensure service delivery meets customer demand and the expectations of all our communities that we will deliver services in line with the Equality Act 2010.	All control actions are now working and effective or complete
Low (3)	<b><u>Non-availability of key operation centre</u></b>	Through an emergency (fire, flood, equipment breakdown, damage, etc) a key operation centre (or other leased building for which we are responsible) becomes unusable	The ICT DR site is based in Honiton. It has remote access to systems through duplicate IT should the Knowle be unavailable. This will all change if the new building goes ahead.

## Appendix C - Explanations and definitions

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### Appendix A - Risk report showing high and medium risks with control information

1. Pure Status - this is the risk in its raw state without any control actions in place. These scores were agreed at the time the risk was drawn up.
2. Residual Status – this is the risk score that remains after the risk review has been carried out and control actions have been put in place.
3. High risks are those that score 12 and above on the risk matrix
4. Medium risks are those that score 6 - 9 on the risk matrix
5. Control Status – this is the current status of the control action/s that have been put in place to mitigate the risk, the status options are: Not yet started, No data available, Not effective, In planning / progress, Completed, Working & effective.

### Appendix B - Risk Report showing low and no data risk

1. Status – this is the residual risk score that remains after the risk review has been carried out and control actions have been put in place.
2. Low risks are those that score 1- 4 on the risk matrix
3. No Data are those risks which have yet to be reviewed

The risk matrix and guidance given for choosing likelihood and impact scores is shown overleaf

## The Risk Matrix and guidance for choosing Likelihood and Impact Scores

### RISK MATRIX

IMPACT	4	8	12	16
	3	6	9	12
	2	4	6	8
	1	2	3	4
LIKELIHOOD				

### LIKELIHOOD SCORES

LIKELIHOOD - GUIDE TO ASSESSMENT				
Likelihood of Occurrence	Score	Chance	Description	Indicators
Very Likely	4	>75%	Almost certain to happen within six months	Happens frequently and/or encountered on a daily, weekly or monthly basis or will happen within 6 months.
Likely	3	40-75%	Will probably happen within 12 months	Happens occasionally, expected to occur at some point over the next 12 months
Unlikely	2	10-40%	Possible – may happen. However, not expected between 1 - 3 years	Not expected to happen in the next 1 - 3 years
Remote	1	Less than 10%	Rare – do not believe this will happen except in exceptional circumstances. Not expected between 3 – 10 years.	Has happened rarely in the past or never before

## IMPACT SCORES

Financial loss and/or outcomes with financial implications	Failure to provide statutory duties / meet legal obligations	Reputation	Service Disruption (days)	Performance	Health & Safety
<b>SCORE 4 MAJOR - IMPACT / OUTCOME (One or a combination of the following)</b>					
Errors or omissions affecting relevant separate budgets >25k or > 75% of budget, (whichever the smaller)  Loss of external grants and funding in > £25k	Litigation / Claims / Fines  Directorate > £125k Corporate > £250k	Adverse national media interest leading to :  Officer(s) and / or member(s) forced to resign  Failure to attract or retain suitable partners or suppliers	Service disruption of over 3 days	Failure to provide an excellent level of customer service  Failure to identify external opportunities and threats  Failure to learn from mistakes that have council wide implications	Death of an individual or several people  Permanent disability caused to an individual or several people
<b>SCORE 3 SERIOUS - IMPACT / OUTCOME (One or a combination of the following)</b>					
Errors or omissions affecting relevant separate budgets from £10k - £25k or 50-75% budget (whichever the smaller)  Loss of external grants and funding from £10k - £25k	Litigation / Claims / Fines  Directorate £25k - £125k Corporate £50k - £250k	Adverse local or regional media interest leading to :  Public embarrassment for Council Members or staff  Recruitment and retention difficulties affecting one service due to low staff morale	Service disruption of between 2-3 days	Failure to provide an adequate level of customer service  Failure to identify internal opportunities and threats affecting the whole council  Failure to learn from mistakes that have directorate wide implications	Major injury to an individual or several people
<b>SCORE 2 SIGNIFICANT - IMPACT / OUTCOME (One or a combination of the following)</b>					
Errors or omissions affecting relevant separate budgets from £1k - £10k or 25 – 50% of budget (whichever the smaller)  Loss of external grants and funding from £1k - £10k	Litigation / Claims / Fines Departmental £1k- £25k Corporate £10k - £50k	Contained within the Council (Questions raised by members)  Embarrassment for council Members or staff, not public  Some impact on staff morale in more than one service with no effect on recruitment or retention	Service disruption of between 1-2 days	Failure to identify and utilise staff potential within individual services  Failure to identify system inefficiencies and bottlenecks  Failure to learn from mistakes that have service wide implications	Minor injury to an individual or several people
<b>SCORE 1 MINOR - IMPACT / OUTCOME (One or a combination of the following)</b>					
Errors or omissions affecting relevant separate budgets up to £1k or 25% of budget (whichever the smaller)  Loss of external grants and funding up to £1k	Litigation / Claims / Fines Departmental < £1k Corporate < £10k  Scrutiny by regulatory body	Contained within the Service (Letters from the public)  Some impact on staff morale in one service with no effect on recruitment or retention	Service disruption of less than 1 day	Failure to learn from mistakes that have implications for individual members of staff	Discomfort caused to an individual or several people

# East Devon District Council

## **Annual Audit Letter 2011-12**

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**October 2012**

## Contents

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<b>Key Messages</b>	<b>2</b>	<b>B Audit and other fees 2011-12</b>

## Introduction

### **Purpose of this letter**

This Annual Audit Letter ("Letter") summarises the key issues arising from the work that we have carried out at East Devon District Council ("the Council") during our 2011-12 audit.

The Letter is designed to provide a brief overview of our key messages to the Council and external stakeholders, including members of the public.

The Letter will be published on the Audit Commission's website at [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk) and also on the Council's website.

### **What this Letter covers**

This Letter covers our 2011-12 audit, including key messages and conclusions from our work in:

- auditing the 2011-12 year end accounts;
- assessing the Council's arrangements for securing economy, efficiency and effectiveness to ensure Value for Money is achieved; and
- certification of grant claims and returns to various government departments and other agencies.

### **Responsibilities of the external auditors and the Council**

This Letter has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission ([www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)).

We have been appointed as the Council's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to the local public bodies in England. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ("the Code") issued by the Audit Commission and includes nationally prescribed and locally determined work. Our work considers the Council's key risks when reaching our conclusions under the Code.

It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

## Key Messages

### Accounts audit

We were presented with draft financial statements on 29 June 2012 and accompanying working papers for the start of our audit work.

We issued an unqualified audit opinion on 28 September 2012, ahead of the statutory deadline. We identified a number of adjustments as a result of the audit work conducted which have resulted in a significant number of changes to the financial statements, requiring additional audit work and Council resources to resolve. The overall effect of the misstatements were:

- a decrease in net assets of £2,720,000 due to adjustments in relation to finance lease liabilities and the pension fund; and
- a decrease of £3,781,000 in the deficit reported in the Comprehensive Income and Expenditure Statement. £2,403,000 related to changes in the accounting treatment of grants and contributions.

Despite these changes, there was no impact on the general fund balance which represents the revenue resources available to the Council.

The key issues identified which led to these adjustments included:

- the depreciation model adopted for Housing Revenue Account dwellings was not considered to be on an appropriate basis. This was updated to ensure that it properly reflected the value of the different components of the dwellings;
- assets held under finance leases had not been appropriately accounted for and the corresponding liability had not been properly recognised;
- a number of adjustment over the treatment of grants and contributions were required to ensure these were correctly recorded in the accounts; and
- a large adjustment relating to the misclassification between debtors and creditors. This was in respect of amounts received at the year-end which should have been recorded as receipts in advance.

The quality of working papers have improved over the last year but there remains scope to improve them further, in particular, ensuring there is sufficient information for new or material transactions and that the final version of working papers have been maintained.



We concluded that the Annual Governance Statement and Explanatory Foreword were consistent with our knowledge of the Council, subject to a small number of proposed adjustments, which management incorporated into the final versions of the documents.

In 2012-13 we will discuss future accounting challenges with the Council, including planning for changes to financial reporting requirements.

### **Our main audit conclusions for the year**

The 2011-12 accounts give a true and fair view of the Council's financial affairs and of the income and expenditure recorded by the Council.

The Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2012.

### **Whole of Government Accounts (WGA)**

The Council submitted its draft Whole of Government Accounts (WGA) information for audit by the Department for Communities & Local Government (CLG) deadline of 30 July 2012. We were able to submit the audited WGA to the CLG by the deadline of 5 October 2012 based on there being no significant issues with the quality of the information contained in the pack.

### **Public questions**

The Audit Commission Act 1998 gives electors certain rights:

- the right to inspect the accounts;
- the right to ask the auditor questions about the accounts; and
- the right to object to the accounts.

### **Questions in relation to the 2011-12 accounts**

We received two questions from members of the public in relation to the activities of the Council. These did not directly relate to the 2011-12 financial statements and consequently these did not impact upon our audit work on the Statement of Accounts.

### **Update on the 2010-11 accounts**

We have now completed our work in relation to the Objection received on 29 September 2011 and have issued our certificate closing the 2010-11 accounts.

The Objection asked that we sought a declaration of an unlawful item of account, in relation to items of account arising from Penalty Charge Notices (PCN) issued by the Council and that we issue a public interest report on the matter.

In conclusion, our decision on the Objection to the Council's annual accounts for 2010-11 was that there were no grounds for seeking a declaration of unlawful expenditure under section 17 of the Audit Commission Act 1998 or for issuing a report in the public interest under section 8 of that Act.

### **Value for Money audit**

An unqualified Value for Money (VFM) conclusion was also issued on 28 September 2012 confirming that the Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2012.

As part of this work we reviewed the Council's arrangements for securing financial resilience over the medium term. Our overall conclusion was that whilst the Council faces significant financial challenges in 2012-13 and beyond, its current arrangements for achieving financial resilience are robust.

We also conducted targeted work to ensure that the Council has proper arrangements in place to secure economy, efficiency and effectiveness. This work included reviewing the following:

- key indicators of financial performance;
- the Council's approach to strategic financial planning;
- the Council's approach to financial governance; and
- the Council's approach to financial control

For each of these areas, we concluded that the Council's arrangements were adequate and we will continue to review arrangements for securing VFM, focusing on key risk areas, as part of our 2012-13 audit.

### **Certification of claims and returns**

Each year we review and certify a number of grant claims and returns in accordance with the arrangements put in place by the Audit Commission. Following the completion of the 2010-11 certification work we reported early in 2012 that performance had generally improved against key measures but identified that the Council should work to reduce the number of claims requiring amendment.

We are currently in the process of certifying the 2011-12 grant claims and returns. Once this work is complete we will report in full on the findings of our work in a separate report to the Audit and Governance Committee.

### **Outputs and fees**

Our audit outputs and fees are shown in Appendices A and B.

### **Acknowledgements**

This Letter has been agreed with Council management and will be presented to Audit and Governance Committee on 29 November 2012.

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

**Grant Thornton UK LLP**  
**October 2012**

## A 2011-12 reports issued

Report	Date Issued
Audit Fee Letter	February 2011
Audit Plan	February 2012
Annual Report to Those Charged With Governance (ISA 260)	September 2012
Annual Audit Letter	October 2012
Grants Certification Report 2011-12	December 2012 (planned)

## B Audit and other fees 2011-12

Audit area	Budget 2011-12	Actual 2011-12
Total Code of Practice fee	£111,435	£111,435
Certification of grant claims and returns *	£30,000	To be confirmed on completion of work and reported in Grants Certification Report 2011-12
Questions and objections from the public **	£nil	£16,696
Non-audit services **	£nil	£nil

\* The quoted fee for grant certification work is an estimate only and is charged at published hourly rates.

\*\* Work on dealing with questions and objections from the public is not budgeted for and is charged at hourly rates based on Audit Commission guidance.



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Our Ref BM/JD - WDBC1213

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4 September 2012

Dear Mark

## **ANNUAL AUDIT FEE 2012-13**

I am writing to confirm the audit work that we propose to undertake for the 2012-13 financial year at East Devon District Council (the Council) and the associated fee. This is based on the Audit Commission's work programme and scale of fees for 2012-13 published in April 2012.

Following the conclusion of the Audit Commission's procurement exercise to outsource the work of its audit practice, the Audit Commission has been able to secure significant reductions in the cost of audit services and are passing on reductions of 40 per cent in audit fees for local government bodies. As in previous years, the Audit Commission publishes its work programme and scale of fees on a national basis, and it has published the scale fee for each local government organisation. The fee for the Council has been determined as £66,821 (exclusive of VAT) and will be fixed at this level for five years.

The Audit Commission has announced the replacement of the previous arrangements for certification fees based on hourly rates with a composite indicative fee. The published indicative fee for the Council is £15,250. This is based on certification fees for 2010-11 adjusted to reflect the fact that a number of schemes will no longer require certification, and incorporating a 40 per cent reduction.

### **Audit fee**

<b>Audit area</b>	<b>Proposed fee 2012-13</b>	<b>Actual fee 2011-12</b>
Financial statements and value for money conclusion	£66,861	£111,435
Certification of claims and returns	£15,250	£30,000 (estimate)

#### **Chartered Accountants**

Member firm within Grant Thornton International Ltd  
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 A list of members is available from our registered office.

Our value for money work will be based upon the two reporting criteria specified by the Audit Commission:

- whether the Council has proper arrangements in place for securing financial resilience; and
- whether the Council has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

This work will be underpinned by a robust risk assessment to ensure that we focus on those areas where we need specific assurance in order to give our value for money conclusion or where arrangements at the Council need to be strengthened.

We will issue a number of reports relating to our work over the course of the audit. These are listed at Appendix 1.

The proposed fee excludes any work that may be requested by you that we agree to undertake using our advice and assistance powers. Each piece of work will be separately negotiated and a detailed project specification agreed with you.

The contact details for key members of the audit team for 2011-12 are:

Engagement Lead	Barrie Morris	0117 305 7708
Audit Manager	Jenny Dwyer	0117 305 7647

We are committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact me in the first instance. Alternatively, you may wish to contact the Head of Government Audit, Sarah Howard at [sarah.howard@uk.gt.com](mailto:sarah.howard@uk.gt.com).

Yours sincerely

**BARRIE MORRIS**  
**Director and Engagement Lead**  
**For Grant Thornton UK LLP**

T 0117 305 7708  
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## Appendix 1: Planned outputs

Our reports will be discussed and agreed with the appropriate officers before being issued to the Audit Committee.

**Table 1**

<b>Planned output</b>	<b>Indicative date</b>
Audit plan	January 2013
ISA260 report to those charged with governance	September 2013
Auditor's report giving the opinion on the financial statements and value for money conclusion	September 2013
Value for money conclusion report	September 2013
Annual audit letter	November 2013
Certification work report	December 2013



## Agenda Item 12

**Audit and Governance Committee**

**29 November 2012**

**AE**



### Internal Audit Plan – Quarterly Update 2012/13

#### Summary

This report provides the outturn position for the Internal Audit Plan at the end of October 2012, providing an update for Qtr 2 and progress at the time of the report for Qtr 3.

#### Recommendation

To note the content of the Internal Audit Progress Report.

#### a) Reasons for Recommendation

As a key element of its Governance arrangements the Council have a partnership arrangement with South West Audit Partnership to deliver an annual internal audit plan. The Audit Manager for SWAP, together with the Council's S151 Officer and in consultation with the Senior Management Team produced an Audit Plan for 2012-13 that was approved by the Audit and Governance Committee in March 2012.

The Committee are required to review the progress of the audit plan.

#### b) Alternative Options

None

#### c) Risk Considerations

None

#### d) Policy and Budgetary Considerations

There are no financial implications associated with this recommendation.

#### e) Date for Review of Decision

N/A

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### 1 Main Body of the Report

The Audit Committee agreed the 2012/13 Internal Audit plan at its March 2012 meeting. This is a progress report on audit findings during the financial year to date.

Report of Internal Activity for Qtr 2 and Qtr 3 to date

Appendix A – Plan Progress Table with Status and Opinion for each audit

Appendix B – Significant Corporate Risks and Management Action Update

Appendix C – Audit Opinion Definitions

**Legal Implications**

None

**Financial Implications**

None

**Consultation on Reports to the Cabinet**

None

**Background Papers**

- Approved Internal Audit Plan 2012/13 – Audit and Governance Meeting March 2012.

---

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Audit and Governance Committee  
29 November 2012

## **East Devon District Council**

Report of Internal Audit Activity  
Quarter 2 Update, 2012/13

# Contents

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The contacts at SWAP in connection with this report are:

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Our audit activity is split between:

- Operational Audit
- Key Control Audit
- Governance Audit
- IT Audit
- Other Reviews

## Role of Internal Audit

The Internal Audit service for East Devon District Council is provided by South West Audit Partnership (SWAP). SWAP has adopted and works to the Standards of the Institute of Internal Auditors and also follows the CIPFA Code of Practice for Internal Audit. The Partnership is also guided by the Internal Audit Charter approved by the Audit Committee at its meeting on 15 March 2012.

Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. Primarily the work includes;

- Operational Audit Reviews
- Cross Cutting Fraud and Governance Reviews
- Annual Review of Key Financial System Controls
- IT Audit Reviews
- Other Special or Unplanned Reviews

## Overview of Internal Audit Activity

Internal Audit work is largely driven by an Annual Audit Plan. This is approved by the Section 151 Officer, following consultation with the Corporate Management Team and External Auditors. This year's Audit Plan was reported to this Committee at its meeting in March 2012.

Audit assignments are undertaken in accordance with this Plan to assess current levels of governance, control and risk.

## Quarter 2 Outturn:

**We rank our recommendations on a scale of 1 to 5, with 1 being minor or administrative concerns to 5 being areas of major concern requiring immediate corrective action**

## Internal Audit Work Programme

The schedule provided at [Appendix A](#) contains a list of all audits as agreed in the Annual Audit Plan 2012/13. It is important that Members are aware of the status of all audits and that this information helps them place reliance on the work of Internal Audit and its ability to complete the plan as agreed.

Each completed assignment includes its respective “control assurance” opinions together with the number and relative ranking of recommendations that have been raised with management. The assurance opinion ratings have been determined in accordance with the Internal Audit “Audit Framework Definitions” as shown in [Appendix C](#).

Where assignments record that recommendations have been made to reflect that some control weaknesses have been identified as a result of audit work, these are considered to represent a less than significant risk to the Council’s operations. However, in such cases, the Committee can take assurance that improvement actions have been agreed with management to address these. [Appendix B](#) highlights action taken in respect of recommendations (since January 2012) which had priority scores of 4 or 5 and for which the agreed action date has passed.

## Quarter 2 Outturn:

### Audit Assignments undertaken in the Quarter

- **Operational Audits**

## Operational Audits

Operational Audits are a detailed evaluation of a service's control environment. A risk evaluation matrix is devised and controls are tested. Where weaknesses or areas for improvement are identified, actions are agreed with management and target dated.

In Quarter 2 there was 1 Operational audit planned;

- Income Collection

This audit is at Discussion Stage. A full update will be provided for the next Update Report.

The Leisure East Devon Audit is at Discussion Stage and the Arts and Culture Audit is at Draft Report Stage. Both were originally scheduled for Qtr 1 and meetings have been scheduled to complete these audits in the near future.

In Quarter 2 there were 2 Operational Follow-up reviews planned;

- Emergency Planning
- Street Scene

The Emergency Planning Follow-up is in progress and the Street Scene Follow-up has been completed and a final report issued.

**Quarter 2 Outturn:**

**Audit Assignments undertaken in the Quarter**

- **Key Controls; Finance**

## Key Control Audits

Key Control Audits are completed to assist the External Auditor in their assessment of the Council's financial control environment. It is essential that all key controls identified by the External Auditors are operating effectively to provide management with the necessary assurance that there is a satisfactory framework on internal control.

The Key Control Audits provide assurance over the main financial systems;

Capital Accounting	Debtors	Payroll
Council Tax and NNDR	Housing and Council Tax Benefits	Treasury Management
Creditors	Main Accounting	Housing Rents

Capital Accounting, Main Accounting, Treasury Management, Housing Rents and Debtors Audits are all in progress. The Payroll Audit is at review stage. A full update will be provided for the next Update Report.

## Information Systems

Information Systems – IT audits provide the Authority with assurance with regards to their compliance with industry best practice. As with Operational Audits, an audit opinion is given.

There was 1 IT Audit originally planned for Quarter 2 (Corporate Information Security Controls - Level 1). This has been deferred until Qtr 3. However, the Rent Deposit Follow-up (originally scheduled for Qtr 3) has been completed and a final report issued.

The SWAP IT Audit Manager and EDDC's ICT Manager have recently met in order to identify the IT Risks that would benefit from internal audit assurance. These audits will be undertaken in Qtr 3 and 4.



## Quarter 2 Outturn:

### Audit Assignments undertaken in the Quarter

- **Governance, Fraud and Corruption Audits**

## Governance, Fraud and Corruption Audits

Governance, Fraud and Corruption Audits focus primarily on key risks relating to cross cutting areas that are controlled and/or impact at a Corporate rather than Service specific level. It also provides an annual assurance review of areas of the Council that are inherently higher risk. This work will in some cases enable SWAP to provide management with added assurance that they are operating best practice as we will be conducting these reviews at all of our Client sites.

There were 3 Governance audits planned for Quarter 2;

- Contract Fraud
- Committee Reporting – Member Decisions
- EU Procurement

At the time of this report, Contract Fraud is in progress and Committee Reporting – Member Decisions is at discussion stage. Both of these reviews are being conducted at several of SWAP partner sites. A full update will be provided for the next Update Report. EU procurement has been deferred.

Since the last Update Report Creditors Fraud has been completed and a Final report issued giving reasonable assurance. Data Security Beaches (also originally scheduled for Qtr 1) is at Review Stage.

In addition, 1 Governance Follow-up Review was planned for Quarter 2;

- Bribery Act 2010

The Bribery Act 2010 was reviewed as part of the 2011/12 Audit Plan and received Partial Assurance. At the time of this report, the Follow-up is in progress. The Partnership Arrangements Follow-up is at Draft Report Stage and the Contract Management Follow-up has been deferred until later in the year at the request of the Manager.

We keep our audit plans under regular review, so as to ensure we are auditing the right things at the right time.

## Special Reviews

Members asked for some contracts to be reviewed which were included in the Qtr 2 audit on Creditor Fraud. In addition, a separate investigation has been completed on the water sampling contract and a report has been issued.

## Future Planned Work

This is detailed in [Appendix A](#) and subject to any changes in agreement with the S151 Officer.

## Conclusions

For the audits completed to report stage, each report contains an action plan with a number of recommendations which are given service priorities. Definitions of these priorities can be found in the Categorisation of Recommendations section of [Appendix C](#).





Our approach to the audits for 2012/13 reflects the positive assurance given in the Audit Opinion for the Annual Governance Statement for 2011/12. Given that these areas have now proven themselves to have adequate and often good internal controls, we are seeking to undertake more challenging and cross-cutting reviews rather than traditional service reviews that we have done over recent years. We shall continue to give ongoing assurance on key controls, but similarly we can do this with less resource than we have previously. A list of all audits planned for 2012/13 and their status at the end of October 2012 are detailed in [Appendix A](#).

## APPENDIX A

Audit Activity	Audit Type	Quarter	Audit Days	Status	Opinion	No. of recs	Recommendations				
							5=Major 1= Minor				
							5	4	3	2	1
Advice	Council Office Relocation	1	20	On-Going	Non Opinion	0	0	0	0	0	0
Follow Up	Contract Management	1	3	Deferred		0	0	0	0	0	0
Follow Up	Partnership Arrangements	1	3	Draft		0	0	0	0	0	0
Follow Up	Risk Management	1	3	Final	Non Opinion	0	0	0	0	0	0
Governance, Fraud & Corruption	Creditors Fraud	1	10	Final	Reasonable	8	0	0	6	2	0
Governance, Fraud & Corruption	EDDC_Data Security Breaches	1	10	Review		0	0	0	0	0	0
Operational	HRA	1	15	Final	Reasonable	6	0	0	5	1	0
Operational	Leisure East Devon	1	20	Discussion Stage		0	0	0	0	0	0
Operational	Arts and Culture	1	20	Draft		0	0	0	0	0	0
Follow Up	EDDC Bribery Act 2010 Follow-Up	2	3	In progress		0	0	0	0	0	0
Follow Up	Emergency Planning	2	3	In progress		0	0	0	0	0	0
Follow Up	Streetscene	2	3	Final	Non Opinion	0	0	0	0	0	0
Follow Up	Corporate Information Security Controls - Level 1	2	3	Deferred		0	0	0	0	0	0
Governance, Fraud & Corruption	Contract Fraud	2	10	In Progress		0	0	0	0	0	0
Governance, Fraud & Corruption	Committee Reporting - Member Decisions	2	10	Discussion Doc		0	0	0	0	0	0
Governance, Fraud & Corruption	EU Procurement Rules	2	10	Deferred		0	0	0	0	0	0
Operational	Income Collection	2	25	Discussion Doc		0	0	0	0	0	0
Follow Up	Rents Deposit Scheme	3	3	Final	Non Opinion	0	0	0	0	0	0
Governance, Fraud & Corruption	Treasury Management Strategy	3	10			0	0	0	0	0	0
Key Control	EDDC Capital Accounting	3	10	In progress		0	0	0	0	0	0
Key Control	EDDC Creditors	3	10			0	0	0	0	0	0
Key Control	EDDC Debtors	3	10	In progress		0	0	0	0	0	0
Key Control	EDDC Main Accounting	3	15	In progress		0	0	0	0	0	0
Key Control	EDDC Payroll	3	10	Review		0	0	0	0	0	0
Key Control	EDDC Council Tax/NNDR	3	15			0	0	0	0	0	0
Key Control	EDDC Housing & Council Tax Benefits	3	15			0	0	0	0	0	0
Key Control	EDDC Housing Rents	3	15	In progress		0	0	0	0	0	0
Key Control	Treasury Management	3	10	In progress		0	0	0	0	0	0
Special Investigation	Water Sampling Contract Investigation	3	0	Final	Non Opinion	0	0	0	0	0	0
Follow Up	Income and Cashiers	4	3			0	0	0	0	0	0
Governance, Fraud & Corruption	Asset Management	4	10			0	0	0	0	0	0
Governance, Fraud & Corruption	Expenses Fraud	4	10			0	0	0	0	0	0
Operational	E-Procurement	4	15			0	0	0	0	0	0
Operational	Health, Safety & Insurances - Lone Working	4	15			0	0	0	0	0	0
Operational	Private Sector Housing Grants	4	15			0	0	0	0	0	0
IT Audits	Qtrs 3 and 4 To be agreed	3-4	30			0	0	0	0	0	0

## Audit Framework Definitions

### Control Assurance Definitions

<b>Substantial</b>		I am able to offer Substantial assurance as the areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.
<b>Reasonable</b>		I am able to offer reasonable assurance as most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
<b>Partial</b>		I am able to offer Partial assurance in relation to the areas reviewed and the controls found to be in place. Some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
<b>None</b>		I am not able to offer any assurance. The areas reviewed were found to be inadequately controlled. Risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

### Categorisation Of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors, however, the definitions imply the importance.

Priority 5: Findings that are fundamental to the integrity of the units business processes and require the immediate attention of management.

Priority 4: Important findings that need to be resolved by management.

Priority 3: The accuracy of records is at risk and requires attention.

Priority 2: Minor control issues have been identified which nevertheless need to be addressed.

Priority 1: Administrative errors identified that should be corrected. Simple, no-cost measures would serve to enhance an existing control.

### Definitions of Corporate Risk

Risk	Reporting Implications
<b>Low</b>	Issues of a minor nature or best practice where some improvement can be made.
<b>Medium</b>	Issues which should be addressed by management in their areas of responsibility.
<b>High</b>	Issues that we consider need to be brought to the attention of senior management.
<b>Very High</b>	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.

**EAST DEVON DISTRICT COUNCIL**

**Notes of a meeting of the Audit and Governance Committee  
Working Party held at Knowle, Sidmouth,  
on Thursday 8 November 2012**

**Present:** Councillors:  
Ken Potter  
Roger Boote  
Bob Buxton  
Steve Hall  
Tony Howard  
Geoff Pook

**Also Present:** Councillors:  
David Cox, Portfolio Holder – Finance

**Officers:** Simon Davey, Head of Finance  
Denise Lyon, Deputy Chief Executive  
Colin Slater, Corporate Procurement Officer  
Hannah Whitfield, Democratic Services Officer

**Apologies:** Committee Members  
Councillor:  
Peter Bowden  
Steve Gazzard

The meeting started at 2.30pm and ended at 3.55pm.

1 **Election of Chairman**

Councillor Ken Potter was elected Chairman of the Working Party.

2 **Scope of the Working Party**

The Head of Finance referred Members to minute \*13 of the Audit and Governance Committee meeting held on 29 September 2012. At the meeting the Audit and Governance Committee had asked that a Task and Finish Forum be arranged to allow Members to consider the draft Contract Standing Orders in more detail. (Following the meeting, Chief Executive, Mark Williams had given procedural advice that a working party should be set up instead of a Task and Finish Forum.

From discussions and concerns raised at the Committee meeting, it was understood that there were two areas that the working party wished to consider:

- Detailed amendments to the draft Contract Standing Orders; and
- Member involvement in the contract letting processes included in the Standing Orders.

Members were advised that there was a need for the Audit and Governance Committee to remain independent, as there was for auditors (internal and external) in order to carry out their roles. At a recent CIPFA 'Effective Audit Committee' seminar, attended by the Head of Finance and Chairman of the Audit and Governance Committee, the question of whether individual Committee members

**2 Scope of the Working Party continued...**

should have access to Council contract files had been raised. The response had been that it was not the role of individual Committee members to carry out their own investigations – this was the role of the internal audit team.

**3 Draft Contract Standing Orders**

To help Members a copy of the existing Contract Standing Orders were circulated with tracked changes to indicate changes proposed. The Corporate Procurement Officer advised Members that the Council's existing Contract Standing Orders had been written in 2007 and were now outdated in some key legal and technical areas. Officer feedback on the existing Standing Orders was that the format was difficult to follow so this was an area that had been improved. The revised draft Contract Standing Orders included best practice of other local authorities and was based on the CIPFA template. Members noted that recommendations of the Council's internal audit team had been incorporated into the document.

The key proposed changes in the draft Contract Standing Orders were outlined:

- Financial limits – the lower limit of £3k for written quotations had been increased to £5k. Below this limit there was still an expectation for officers to obtain best value for money and have regard to the Council's Procurement Strategy. The threshold at which tenders would be sought had been increased from £30k to £50k. Reasons for increasing the financial limits included the Council having improved systems for monitoring spends, such as electronic procurement requiring authorisation before an order could be places; spend analysis (ProSpend); imminent introduction of e-tendering (which further allows collaboration with other South West councils) and bringing thresholds in-line with those held by other local authorities.
- Prevention of Corruption and Anti Competitive Behaviour – this section had been reinforced to ensure that officers were aware of the Bribery Act 2010 and the Office of Fair Trading's guidance on anti competitive behaviour.
- Management of Contacts – this area had been strengthened to include more detail on performance and additional explanation concerning monitoring, evaluation and review, and record keeping. The onus was on officers to tackle any issues that arose.

The revised Contract Standing Orders also included:

- A single page guide to the contents and a separate comprehensive definitions appendix;
- Updated officer roles - the Corporate Procurement Officer role had been included (the role did not exist in 2007) and amendments made regarding the involvement of the Section 151 Officer, Head of Finance and Audit.
- Clarification concerning the use of Exemptions and Collaborative Arrangements – this outlined the ability of the Council to take advantage of existing frameworks established by authorities nationwide and Government Procurement Service;
- Clarification concerning the calculation of the total value of the contract, and emphasis that it was not permissible to disaggregate (divide up) a contract to avoid the application of EU rules or Contract Standing Orders.

### 3 **Draft Contract Standing Orders continued...**

Comments made by Members during a lengthy discussion about the draft Contract Standing Orders included:

- Multiple contacts with one supplier should be treated as one contract;
- Remove the word 'unnecessary' paragraph 8.1.3. There should be no disaggregation of contracts;
- There should be better reporting on the letting/monitoring of contracts to the Procurement Group and Audit and Governance Committee;
- The Committee would welcome the Corporate Procurement Officer attending future meetings of the Audit and Governance Committee;
- Concern was raised about corporate fraud, particularly due to the high number of contracts below £3k and long running contracts. All contracts no matter their worth needed to be monitored the same way;
- Members should be able to ask for an investigation if there is evidence that gives rise to concerns about individual contracts;
- The proposed draft Contract Standing Orders were instructions to officers on letting of contacts and were sufficient;
- A trigger system for reporting on contracts to the Audit and Governance Committee was required, for example if multiple contracts under £3k had been let to one supplier;
- Concern was raised about how widely contract vacancies were advertised and the focus on electronic tendering. Small suppliers could potentially be missed;

Members were reminded that the Council had adopted an Anti Fraud, Theft and Corruption Policy. Should an individual member or officer have concerns about potential fraud relating to the letting of individual contacts they should raise these with the Head of Finance or the Monitoring Officer. Procedures laid out under the Policy would then be implemented.

The Corporate Procurement Officer advised Members that the Council's new procurement software, ProSpend, had the ability to produce analytical reports on contract letting which could be presented to the Committee.

In response to a question, members were advised that Officers were required to let contracts to financially stable and technically suitable suppliers. However if a contract was worth more than £50k Officers were required to obtain a comprehensive financial appraisal. The Council did not hold a list of 'financially sound' suppliers due to the difficulties in keeping such a list up to date. Officers had access to databases such as Constructionline and Exor, which held a list of pre-qualified and monitored contractors and consultants. The Contract Standing Orders included best practice on where vacant contracts should be advertised. The introduction of electronic tendering (e-tendering) would provide a database of registered suppliers that could be accessed by other local authorities. Advantages of e-tendering included greater transparency and an audit trail; however advertisements would continue to be placed in trade magazines for example.

When asked by the Chairman, members of the Working Party indicated that they were satisfied with the proposal for the financial threshold for requiring a written tender to be increased from £3k to £5k.

The Head of Finance advised Members that an internal audit report on a specific contract over which some members of the Audit and Governance Committee had raised concerns would be presented to the next Committee meeting.

3 **Draft Contract Standing Orders continued...**

**Recommended:**

1. that the Audit and Governance Committee approve the draft Contract Standing Orders, subject to the following amendments:
  - a. 5.1 of the draft Contract Standing Orders be amended to read:

‘The Officer must appraise the purchase or seek suitable advice, in a manner commensurate with its complexity and value....’
  - b. the word ‘unnecessary’ be removed from paragraph 8.1.3
2. that the Corporate Procurement Officer be invited to attend future Audit and Governance Committee meetings as necessary;
3. that the Head of Finance produce six monthly reports to the Audit and Governance Committee on contracts let by the Council to cover the following:
  - Council contract spend where works/payments with a supplier for similar activities when added together equate to over £25k within an annual period but where this has not been tendered as one;
  - Council spend analysis;
  - Consultant spends.

Chairman .....

Date .....



## Agenda Item 14

**Audit and Corporate Governance Committee**

**29 November 2012**



### **Audit and Corporate Governance Committee**

#### **Forward Plan 2012/13**

<b>Date of Committee</b>	<b>Report</b>	<b>Lead Officer</b>
17 January 2013	<ul style="list-style-type: none"><li>• Certification Report</li><li>• Internal Audit Activity – Quarter 3 2012/13</li></ul>	Grant Thornton SWAP
14 March 2013	<ul style="list-style-type: none"><li>• Annual Audit Plan 2013/14</li><li>• Audit Charter</li><li>• Governance Action Plan update</li></ul>	SWAP  Head of Finance