

Date: 19 June 2012
Contact Number: 01395 517542
E-mail: hwhitfield@eastdevon.gov.uk



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

East Devon District Council

Knowle
Sidmouth
Devon
EX10 8HL

DX 48705 Sidmouth

Tel: 01395 516551

Fax: 01395 517507

www.eastdevon.gov.uk

Audit and Governance Committee
Thursday 28 June 2012 at
2.30pm
Committee Room, 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

- | | | |
|---|--|-------|
| 1 | Public question time – standard agenda item (15 minutes)
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 15 March 2012. | 4 - 8 |
| 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 no items which Officers recommend should be dealt with in this way.		
7	Revenue and Capital Outturn Report 2011/12	Simon Davey, Head of Finance	9 - 17
8	Year End Risk Review 2011/12	Simon Davey, Head of Finance	18 - 69
9	Annual Audit Report and Opinion 2011/12	Internal Audit, SWAP	70 - 87
10	Forward Plan	Simon Davey, Head of Finance	88

Members remember!

- You must declare the nature of any personal or prejudicial interests in an item whenever it becomes apparent that you have an interest in the business being considered.
- Where you have a personal interest because the business relates to or is likely to affect a body of which you are a member or manager as an EDDC nominee or appointee, then you need only disclose that interest when (and if) you speak on the item. The same rule applies if you have a personal interest in relation to a body exercising functions of a public nature.
- Make sure you say the reason for your interest as this has to be included in the minutes.
- If your interest is prejudicial you must leave the room unless you have obtained a dispensation from the Council's Standards Committee or where Para 12(2) of the Code can be applied. Para 12(2) allows a Member with a prejudicial interest to stay for the purpose of making representations, answering questions or giving evidence relating to the business but only at meetings where the public are also allowed to make representations. If you do remain, you must not exercise decision-making functions or seek to improperly influence the decision; you must leave the meeting room once you have made your representation.
- You also need to declare when you are subject to the party whip before the matter is discussed.

Getting to the Meeting – for the benefit of visitors



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

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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 15 March 2012

- Present:** Councillors:
Ken Potter (Chairman)
Peter Bowden (Vice Chairman)
David Atkins
Roger Boote
Steve Gazzard
Steve Hall
Tony Howard
- Also Present:** Councillor:
Peter Halse
- Officers:** Simon Davey, Head of Finance
Chris Lane, Democratic Services Officer
Denise Lyon, Deputy Chief Executive and Monitoring Officer
Chris Powell, Corporate Manager, ICT
- Internal Auditors:** Andrew Ellins, South West Audit Partnership
- External Auditors:** Jenny Dwyer, Grant Thornton
Barrie Morris, Grant Thornton
- Apologies;** Councillors
David Cox
Geoff Pook

The meeting started at 2.30 pm and ended at 4.20 pm.

- *36 **Public Questions**
No questions were raised by members of the public.
- *37 **Minutes**
The minutes of the meeting of the Audit and Governance Committee held on 19 January 2012 were confirmed and signed as a true record.
- *38 **Declarations of interest**
There were no declarations of interest from Members.
- *39 **Exclusion of the Public**
RESOLVED: that the classification given to the documents to be submitted to the Cabinet, be confirmed, and that the reports relating to exempt information, be dealt with under Part B.

***40 External Audit Plan 2011/12**

Members gave consideration to the report of the Council's External Auditors, Grant Thornton which set out the work that they would be carrying out in discharging their responsibilities to give an opinion on the Council's financial statements and a conclusion on the Council's arrangements for achieving Value for Money.

The plan also set out the work Grant Thornton proposed to undertake in relation to the audit of the 2011/12 accounts at EDDC. The plan was based on the risk-based approach to audit planning and used the assessment of the potential business and audit risks that needed to be addressed by the audit and the controls the Council had in place to mitigate these risks.

Barrie Morris, Grant Thornton reported that there had recently been an Electors Challenge on the 2010/11 Accounts relating to the way the District Council was recording parking charge notice income for Off/On Street Parking. This had been sent for Counsel opinion as a number of other Councils had experienced similar challenges and costs of obtaining this opinion were being shared. Grant Thornton was attempting to minimise the costs to the Council of this challenge.

RESOLVED: that the External Audit Plan 2011/12 be noted.

***41 Future of External Audit update**

Members considered the report of Council's External Auditors, Grant Thornton concerning the Government response to the future of local audit consultation.

Members noted that the design principles of the new framework for local public audit were that it should be local and transparent, achieve a reduction in the overall cost of audit, and uphold high standards of auditing, ensuring that there was effective and transparent regulation of public audit, and conformity to the principles of public audit.

RESOLVED: that the updated Code of Corporate Governance be agreed.

42 Anti-Fraud, theft and Corruption Policy

Members considered the report of Denise Lyon, Deputy Chief Executive and Monitoring Officer concerning the Anti-Fraud, Theft and Corruption Policy.

Members noted that the Council had always set itself high standards of honesty and probity. Although the instances of fraud and theft were rare, and the Council was not aware of any corruption, the Policy was the Council's stance on these matters. The Committee in Public Life had produced a report, which set out seven principles of public life. The Council endorsed these principles, which applied to everybody who was involved with the work of the Council.

RECOMMENDED: that the Anti-Fraud, Theft and Corruption Policy be adopted subject to the inclusion of details as outlined in Appendix 1 of the Policy and the identities of responsible Officers for each level of documentation .

43 **Anti Bribery Policy**

Members considered the report of Denise Lyon, Deputy Chief Executive and Monitoring Officer concerning the Anti-Bribery Policy. The Council had a zero tolerance approach to bribery and was committed to its prevention, deterrence and detection. The Council was committed to helping everyone involved in the work of the Council to act honestly and with integrity at all times. The Anti-Fraud and Corruption Policy was closely linked with the Anti-Bribery Policy and both were designed to:

- Encourage prevention of unlawful activity
- Promote detection, and
- Identify a clear approach for investigation

RECOMMENDED: that the Anti-Bribery Policy be adopted

*44 **Update on Regulation of Investigatory Powers Act**

Consideration was given to the report of Rachel Pocock, Corporate Legal & Democratic Services Manager giving an update on the Regulation of Investigatory Powers Act. Members noted that the Council had recently been inspected by the Office of the Surveillance Commissioners and received a positive report. The Committee were mindful of the need to notify the Leader of Council of any particular action taken under the Regulation of Investigatory Powers Act which would impact upon the integrity or reputation of the Council.

Members wished to express their thanks to Rachel Pocock, Simon Davey, Denise Lyon and Anne Bailey for the work they had undertaken with regard to the Regulation of Investigatory Powers Act.

- RESOLVED:**
- (1) that it be noted that the Council's Regulation of Investigatory Powers (RIPA) policy had been amended in line with the Office of Surveillance Commissioner's Inspector's report and that the other recommended action in his reports had been carried out;
 - (2) that the revised policy be accepted, subject to the addition of a statement that if any action taken under the Regulation of Investigatory Powers Act impacted upon the integrity or reputation of the Council then the Monitoring Officer would notify the Leader of the Council immediately.

*45 **Retention and Disposal of Documents Policy**

Members considered the report of Chris Powell, Corporate ICT Manager concerning the Retention and Disposal of Documents Policy. It was noted that the Policy had been recommended for approval at the last meeting of the Committee of 19 January 2012 (Minutes no 29 refers), subject to the inclusion of details of the Policy and the identities of responsible Officers for each level of documentation. These details had now been included in the Policy

***45 Retention and Disposal of Documents Policy cont...**

A question was asked regarding the risk of Solar Storm activity wiping out the electronic storage of Council data. Chris Powell, Corporate ICT Manager agreed to prepare a response to this risk.

- RESOLVED 1.**
- (1) that the revised Retention and Disposal of Documents Policy with the inclusion of details of the Policy and the identities of responsible Officers for each level of documentation be noted;
 - (2) that Chris Powell, Corporate ICT Manager prepare a response to the question regarding the risk to the Council's electronic data storage from Solar Storm activity.

***46 Internal Audit Plan**

Members considered the report of Andrew Ellins, Audit Manager, South West Audit Partnership concerning the Internal Audit Plan 2011/12.

It was noted that there was a requirement that authorities made arrangements for the proper administration of their financial affairs and were specifically required to maintain an adequate and effective internal audit of their accounting records and control systems. The internal audit service provided through the South West Audit Partnership gave the Council assurance over these matters.

An effective Internal Audit Plan was a key element of a Council's corporate governance and internal control framework. The Audit Plan assisted the Council's Section 151 Officer in discharging his statutory responsibilities in respect of the proper administration of the Council's financial affairs.

In line with good practice a programme of work or audit plan had been prepared which outlined the likely areas of activity for the coming year. The report presented the Internal Audit programme of work for 2012/13 as detailed in the Appendix to the report.

- RESOLVED:** that the Internal Audit Plan 2012/13 be accepted as presented.

***47 Internal Audit Charter**

Members considered the report of Andrew Ellins, Audit Manager, South West Audit Partnership concerning the Internal Audit Charter.

Members noted that as a key element of its Governance arrangements the Council had a partnership arrangement with South West Audit Partnership. The internal audit service provided by the South West Audit Partnership (SWAP) worked to a Charter that defined its roles and responsibilities and the roles and responsibilities of the district Council's managers. Best practice in corporate governance required

***47 Internal Audit Charter (Cont)**

that the Head of Internal Audit should develop terms of reference for delivering the Internal Audit Service. The Charter should be reviewed and approved annually by the Audit & Governance Committee. This year the Charter had been updated to reflect the changes to SWAP Management job titles and their roles and responsibilities since March 2011.

RESOLVED: that the Internal Audit Charter revisions be approved as set out in the report.

***48 Forward Plan**

Members noted the contents of the forward plan and future meeting dates. It was requested that the progress in respect of EDDC consultation appointments for large contracts and overall financial controls be included as an item on the agenda of the special meeting in May 2012.

Barrie Moss, Grant Thornton requested that the Grant Thornton fee proposals be added to the meeting on 28 June 2012 and that consideration of the Annual Audit letter be considered at the 8 November meeting rather than the 17 January 2013 one.

***49 Exclusion of the Public**

RESOLVED 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, is likely to be disclosed and on balance the public interest is in discussing the items in private session (Part B).

***50 Consultant Fees 2010/11 under £10,000**

Members received and noted the Consultant Fees for 2010/11 that were under £10,000. These would be discussed further at the special meeting to be arranged in May 2012.

Chairman Date

Agenda Item 7

Audit & Governance

28 June 2012

SD



Revenue and Capital Outturn Report 2011/12

Summary

During 2011/12 monthly budget monitoring reports have informed members of the anticipated year end position. This report contains the final position for the year and compares this outturn position against the budgets set for 2011/12.

The report outlines the implications of these results on the Council's reserves and makes proposals on those reserves.

The year end position in summary:

General Fund Services have an overall surplus of £1.013m gained through one off items of budget underspend/additional income on a few major budget headings. Where appropriate these variations have been factored into the current budget. It is proposed that this surplus is transferred into the Council's Capital Reserve to help maintain a programme of essential capital works in the short term as we work to balance the capital budget going forward. If members accept this recommendation then the General Fund Balance will still remain at a level deemed appropriate under assessed current financial risks, in particular with continued reductions in Government funding.

The Housing Revenue Account (HRA) has a surplus of £0.112m. This is less than was targeted in year in order to bring the HRA Balance up to an acceptable level. The 2012/13 budget has been set to bring the balance back in line and to increase the sum as considered necessary under the new risks associated with HRA self financing. This will be monitored through 2012/13 and progress reported to members.

The Capital Budget has seen many variations to that originally planned, the result being planned expenditure of £3.564m moving from 2011/12 into 2012/13. This will require £2.175m to be taken from the Capital Reserve in 2012/13, leaving a balance that will be depleted in 2013/14 or 2014/15 depending on future schemes proposed. Subject to member approval the transfer of the revenue surplus into the Capital Reserve will alleviate the immediate urgency and give more time to work on asset management and other initiatives to address the balancing of the Capital Programme.

Recommendation

To consider the year end position and make any necessary recommendations to Cabinet.

a) Reasons for Recommendation

To report the Outturn position for the Council's approved budgets for General Fund Services, Housing Revenue Account and Capital Expenditure. This final position will

flow through to the Council's Statement of Accounts. Members are asked to note the variations from the budgets identified within the report and consider the final position.

It is appropriate at this stage to reflect on the reserves and balances held by the Council and determine if these are the right reserves at the right levels going forward.

b) Alternative Options

The Outturn position is the final year end position for members to note and to be satisfied on the explanations given in the variations reported compared with the plans and budgets they originally approved for the year.

Proposals have been made on future reserve and balance levels with the need for certain sums to be held. Alternatives can be considered by members in terms of the sums to be held and whether appropriate reserves have been determined.

c) Risk Considerations

The 2011/12 budget was set as a balanced budget with £65,500 being taken from Reserves to meet one off costs associated with the District Elections. The aim for budget managers in the year was to reduce costs where possible and continuously look for efficiencies. This has been achieved but work still remains going forward with further reductions in Government funding.

This report also looks at the monies the Council holds in reserves and considers these in the light of the current economic situation and future Government funding cuts. Consideration is given to the Council's financial track record, internal and external audit reports on financial controls and is reflective of occurrences from external factors which affect the Council's finances.

d) Policy and Budgetary Considerations

This report outlines the financial results for 2011/12 and states the impact on the Council's reserves and balances.

e) Date for Review of Decision

The Outturn position will be reported to Audit & Governance Committee in June who will then, in September, receive a copy of the Audited Accounts for approval. The Housing Review Board will also be updated on the Housing Revenue Account year end position.

1. Introduction

1.1 This report compares the outturn position (actual amount spent or income received for the year) against budgets set for the financial year 2011/12 for General Fund Services, the Housing Revenue Account and the Capital Programme.

1.2 A summary position is contained in this report for each of these areas with an accompanying "Outturn Book" giving detailed information on actual spend against the budget set by members. The Book gives an explanation of any

significant variations of spend or income against budget and highlights other matters to be drawn to members' attention.

- 1.3 The report looks at the effect the outturn figures have on the Council's balances and reserves and considers future policy for holding these sums.

2. General Fund services

- 2.1 Appendix A shows the net outturn figures for General Fund services giving for each Portfolio the original budget set for the year, any revised budgets specifically approved by members during the course of the year and the actual net spend for each Portfolio. Details are then given of loan repayments and investment income, various transfers to and from reserves, non ring fenced grants received to support Council expenditure generally and then Council Tax income. These amounts equate to an overall surplus on the General Fund for the year of £1.013m, against a gross budget for the year of £63.8m. These details are summarised below:

	Outturn Position £000
Portfolio Total Net Cost	12,288
Net Investments, Interest and loan repayments	(474)
Agreed use of earmarked reserves to fund expenditure in year	(324)
Agreed contributions from Revenue to Capital Programme	176
Transfers to Earmarked Reserves for future year expenditure	516
New Homes Bonus Grant	(311)
Transfer to New Homes Bonus Reserve	311
Collection Fund Surplus	(8)
Council Tax freeze reimbursement grant	(174)
Local Services Support Grant	(99)
Formula Grant	(5,963)
Council Tax	(6,951)
Surplus for year	(1,013)

- 2.2 A balanced budget was set for 2011/12, whereby expenditure was matched by income. The exception being £65,500 to be taken from the General Fund Balance to pay for the one off costs of the District Election. The surplus position of £1.013m is due to under spends against budgeted expenditure or more income received than expected. A detailed list of these variations is contained in the Outturn Book. In summary the main areas are:

Main Areas of Variation against budget	£000
Recycling Income higher than budgeted due to higher volume and price than predicted. Income levels are reliant on market conditions for differing recycled products; if the budget is set too optimistically then this could leave the Council with a deficit to find.	(384)
Savings made on grounds maintenance costs (parks & gardens) and increased contributions received towards work carried out.	(72)
Streetscene management posts vacant for periods of the year	(63)
Housing Benefit Subsidy. This is a £38m claim and in setting the budget we do err on the side of caution as the effect of over estimating the subsidy would severely damage the Council's finances. £206,000 represents a 0.5% variance.	(206)
Land charges Income (less contribution to new software)	(27)
Development Management posts vacant for part of the year	(39)
Additional planning income	(255)

The majority of these items are seen as one offs, however any trends were taken into account when setting the following year's budget. The areas above have been considered and reflected in the 2012/13 budget, for instance increases have been made in both planning and recycling income in the current year's budget 2012/13.

- 2.3 It is proposed that the £1.013m saving is transferred into the earmarked Capital Reserve to help the Council maintain essential elements of the capital programme in future years. Good progress is being made with asset management to aid the balancing of the capital programme going forward, but an additional £1.013m in the Capital Reserve would give essential time to complete the process and assist the Council in setting a 2013/14 capital programme.
- 2.4 The General Fund balance at the beginning of 2011/12 was £4.388m; if members agree to transfer the £1.013m saving into the Capital Reserve then the balance at 31/3/2012 will remain at £4.388m. At this amount the General Fund Balance is still in excess of the Council's adopted sum (£1.511m) by £2.877m. Members have in the past reaffirmed the decision to hold a balance in excess of the adopted sum and it is assumed this will continue into 2012/13 because of the many uncertainties in the current economic situation. In the main these are focused around:
- Budgets for maintenance provisions is still minimal and there is a possibility of requests coming forward in the course of the year for supplementary estimates for legitimate reasons where expenditure cannot be capped within the tight budgets.
 - The introduction of the Localisation of Council Tax Benefit in April 2013 brings with it financial risk. There is also a growing pressure on the Council's homelessness budgets for the future.
 - There is uncertainty over Land charges income and issues relating to legality.

- Further risk relates to future grant settlements in the final 2 years of the current Comprehensive Spending Review period. If reductions in Government funding are worse than predicted then the Balance could be used in the short term until the Council can re-adjust its service delivery to meet the finances available.

3. Housing Revenue Account

- 3.1 The net outturn position for the Housing Revenue Account (HRA) is a surplus of £0.112m. The details are summarised below:

	Outturn Position £000
Expenditure on management and maintenance	6,109
Housing Subsidy payable to Government	5,945
Contribution to Capital (major repairs and capital programme)	3,204
Net interest and loan repayments	57
Property rentals and other income	(15,427)
Surplus for year	(112)

- 3.2 A surplus budget of £0.040m was initially set for 2011/12. However, because of the decline of the HRA Balance by the end of 2010/11 it was agreed additional savings would be made during 2011/12. The main variations to the budget set are detailed below; a full explanation is contained in the Outturn Book.

Main Areas of Variation against budget	£000
Rental income has increased due to reduced void times and higher collection rates	(172)
Repairs and maintenance was overspent due to increased demand for responsive repairs and additional boiler replacements	230
Savings on supervision and management costs due to posts vacant during the year and reduced property insurance premiums.	(170)
Major Repairs overspend due to increased work to bring change of tenancy properties up to lettable standard.	115
A post was budgeted for the downsizing scheme, but administration has been covered by existing staff.	(21)
Interest and loan repayments for new build was over budgeted	(50)

The HRA balance at the beginning of 2011/12 was £0.511m with the recommended adopted level being £1.054m. With the surplus in 2011/12 of £0.112m this has raised the year end Balance to £0.623m, still some £0.431m below the level required. The savings target outlined to Members in the monthly monitoring reports during the year to bring the Balance back to an acceptable level was not fully achieved.

The 2012/13 budget is the first year under the self financing regime and as such members agreed that the adopted HRA Balance should be increased to £490 per property increasing the Balance to £2.107m. The 2012/13 budget has been set in order to achieve at least this level of Balance; this will be monitored carefully through the year and progress reported to Cabinet.

4. Capital Budget

- 4.1 The net outturn position for the Capital programme is show below with net expenditure to be financed for the year of £4.874m. There are many variations to the Capital Programme to that originally planned and these are detailed in the Outturn Book; two main variations relate to scheme slippage of the Visitor Centre Seaton and the Honiton Community Centre.

	Outturn Position £000
Portfolio Total Net Cost	4,874
Capital Receipts	(258)
Section 106 contributions	(277)
Government Grant for Combined Heat and Power Plant Cranbrook	(1,628)
Other Government Grants	(38)
Revenue contribution to Capital Programme (General Fund)	(103)
Revenue contribution to Capital Programme (Housing Revenue Account)	(296)
New Homes Bonus Reserve	(2)
Transformation Reserve (CAPS IT System)	(95)
Asset Maintenance Reserve	(77)
Use of Capital Reserve	(2,100)
Balance Unfunded	0

- 4.2 In addition to the above, £0.075m of expenditure on two schemes agreed to be in the capital programme (£74,000 ICT Mobile Working Project and £1,000 on Exmouth Regeneration – Splash/Estuary Site) is being treated as revenue. This is due the nature of expenditure and the uncertainty at this stage that the spend will result in an actual asset.

This can still be funded from the Capital Reserve as originally agreed, as this reserve was created from revenue monies and can therefore be used for revenue or capital purposes. This is a formality but does ensure our Accounts at year are correct. The Capital Reserve in total will be reduced by £2.175m (£2.100m + £0.075m) in 2011/12.

This leaves a balance on the Capital Reserve at the end of 2011/12 of £3.128m.

- 4.3 The Outturn Book shows scheme slippage from 2011/12 to 2012/13 of £3.564m, this revised position requires £2.715m to be taken from the Capital Reserve in 2012/13. Leaving a balance available for 2013/14 of £0.413m.

This would be sufficient to fund the current 2013/14 capital budget but the programme will grow as requests are made for scheme inclusion as we approach 2013/14 budget round. It is likely the Reserve would be depleted in 2013/14, if not then 2014/15. If members agree to the transfer of £1.013m from the one off revenue savings in 2011/12 into the Capital Reserve this would alleviate funding problems for the short term subject to no major proposals coming forward.

- 4.4 The Executive Board at its meeting on 2 December 2009 resolved “that the completion of the land transfer of Elizabeth Road Playing Fields to Seaton Town Council as a contribution to plans for improved youth facilities be noted and £80,000 of capital receipts from the Land Agreement be authorised to be held in reserve 2010/11 to contribute to match funding a project led by Seaton Town Council to improve youth facilities and/or provide a youth club, as to be determined most appropriate by Seaton Town Council.” This money has not been claimed as yet by the Town Council and in preparing the outturn position on the capital programme this sum has been treated as scheme slippage and moved into 2012/13 as still available to the Town Council.

Members need to decide whether to endorse this position as the minute of the Executive Board did make the contribution time bound. An alternative to carrying forward the commitment would be to use the monies to help fund an underfinanced capital programme, either related to Seaton or as part of funding the overall programme meeting the Council’s priorities generally.

5. Other Main Reserves and Balances Available – year end position

Transformation Reserve

The uncommitted balance on this reserve is currently **£1.150m**, after deducting the recent agreement to use up £0.120m on Electronic Document Management project and up to £0.200m on the relocation scheme. This sum was set aside to assist the Council’s transformation programme by meeting upfront costs necessarily incurred in order to produce savings in future years.

Local Authority Business Growth Incentive Scheme Reserve

The purpose of this reserve is to promote and deliver economic development. The uncommitted sum on this reserve is currently **£0.235m**.

Asset Maintenance Reserve

This reserve is used to support the Council’s General Fund Assets and planned maintenance backlog/essential work (created from one off VAT refunds obtained).

The year end balance is £1.358m. It is proposed that £0.405m of this Reserve is used in 2012/13 leaving a balance at the end 2012/13 of **£0.953m**.

New Homes Bonus

Monies received/announced of £0.311m in 2011/12 and £0.759m in 2012/13 giving a total to date of £1.070m. Members have committed £0.105m to a Community Fund allocation, with the remaining £0.965 being allocated to the Capital programme for one off items.



The 2012/13 proposed Capital Programme uses £0.346m of the New Homes Bonus (NHB), with some schemes' expenditure running into 2013/14 and thereby using a further £0.230m. This leaves an uncommitted balance of **£0.387m** to be allocated against the 2013/14 capital programme in the next budget round subject to member approval.

NHB monies to be received in 2013/14 are unknown at this stage and the implications on the future formula grant settlements uncertain. It is therefore expected that the New Homes Bonus Panel will meet again when more details are known and further sums are available for allocation.

Asset Management Plan

Members agreed a budget of £0.218m in 2011/12 to help with resources to progress the Asset Management Plan work. Only £0.030m of this was spent in 2011/12, the remaining balance of **£0.188m** has been transferred to this Reserve to continue funding this work in 2012/13.

Other Earmarked Reserves

There are other earmarked reserves for specific projects where funding or contributions have been made in advance of spend and monies are held at year end to fund this work in future years. Appendix A of the report highlights any transfers being made in 2011/12 and the Accounts when published will show a complete list of all Reserves held.

Legal Implications

On the assumption this report reflects local authority financial requirements/available discretions; no specific legal comment is required. The proposals put forward appear to be reasonable in terms of the exercise of council discretion.

Financial Implications

Details are contained in the report.

Consultation on Reports to the Cabinet

This report and its implications have been discussed by SMT

Background Papers

- Financial Services Working Papers

Simon Davey
Head of Finance

Audit & Governance
28 June 2012

APPENDIX A				Variation	% change
	2011/12		2011/12	Revised 11/12 to Outturn 2011/12	Revised 11/12 to Outturn 2011/12
	Original	Revised	Outturn		
General Fund Revenue Outturn 2011/12					
Portfolio Budget Submissions - Net Expenditure	£	£	£	£	
Corporate Business	5,665	5,665	(464)	(6,129)	-108%
Corporate Services	1,458,400	1,460,400	1,415,623	(44,777)	-3%
Economy	800,160	738,160	542,806	(195,354)	-26%
Environment - General	1,049,170	1,049,170	1,049,835	665	0%
Environment - StreetScene	7,675,960	7,748,350	7,202,267	(546,083)	-7%
Finance	1,829,680	1,829,680	1,506,324	(323,356)	-18%
Strategic Development & Partnerships	1,792,465	1,792,465	1,604,653	(187,812)	-10%
Sustainable Homes & Communities	730,610	730,610	777,284	46,674	6%
IT Mobile working project reclassified as Revenue			73,446		
Exmouth Regeneration reclassified as Revenue			1,167		
Portfolio Totals	15,342,110	15,354,500	14,172,940	(1,181,560)	
Reversal of Capital Charges (Depreciation & Amortisation)	(1,837,410)	(1,837,410)	(1,884,820)	(47,410)	
Portfolio Total Net of Capital Charges	13,504,700	13,517,090	12,288,120	(1,228,970)	
Interest Receipts (Net of investment management fees)	(464,470)	(464,470)	(546,492)	(82,022)	
Interest Payable	7,070	7,070	657	(6,413)	
PWLB principal & interest repayments	113,890	113,890	72,079	(41,811)	
Net Expenditure	13,161,190	13,173,580	11,814,364	(1,359,216)	
Financing 2011/12:					
Use of Earmarked Reserves to fund expenditure in year:					
LABGI Reserve for Regeneration projects			(70,495)		
Asset Maintenance Reserve maintenance			(65,947)		
Transformation Fund for voluntary redundancies			(42,412)		
Transformation Fund for Relocation Project			(36,850)		
S106 contributions for New Community Officer			(36,461)		
PDG Reserve for Local Development Framework - Local Plan			(68,201)		
Manor Pavilion Reserve for lighting and stage screen equipment			(4,000)		
				(324,366)	
Revenue Contribution to Capital:					
Contribution from Assets sales below £10k deminimis to General Capital Reserve			50,423		
Contribution to Capital Projects Reserve - IDOX Land charges			25,000		
Contribution to Capital Project - NNDR upgrade			65,000		
Accountancy underspend to Capital Projects Reserve (CEDAR 4.1 upgrade)			20,900		
Legal Services underspend to Capital Projects Reserve (Legal Case Management System)			15,000		
				176,323	
Transfers to Earmarked Reserves:					
Financial Services underspend to Finance Revenue Projects Reserve (Treasury Management Tender / E-proc)			13,680		
Contribution to Seaton Town Centre Manager Reserve			27,679		
Asset Management Plan unspent balance to Asset Management Plan Reserve			188,296		
Contribution to Asset Maintenance Reserve - Car Park VAT			195,135		
Contribution to Visitor Centres Reserve			11,445		
Contribution to NNDR IT System Revenue Reserve			7,400		
Contribution to Cranbrook historical record			10,000		
Contribution to Car Park Ticket Machines Reserve			12,000		
Contribution to Local Development Framework Inquiry			50,000		
				515,635	
Transfer to New Homes Bonus Reserve			310,872	310,872	
Use of Collection Fund Surplus	(8,000)	(8,000)	(8,000)	(8,000)	
Non-ringfenced Government Grants:					
Council Tax Freeze Reimbursement Grant 2011/12	(173,510)	(173,510)	(173,769)		
Local Services Support Grant - Homelessness			(99,469)		
New Homes Bonus			(310,872)		
				(584,110)	
Use of General Fund Reserve for expenditure in year:					
GF contribution for one-off cost (District Council Elections)	(65,500)	(65,500)	(65,500)		
Supplementary estimate (Snow Equipment)		(10,390)	(10,836)		
Supplementary estimate (Devon Shared IT services)		(2,000)	(2,000)		
Supplementary estimate (NNDR IT System)			(72,400)		
Capital projects reclassified as Revenue			(74,613)		
			1,238,816		
Net Balance to GF Reserve				1,013,467	
Budget Requirement	12,914,180	12,914,180		12,914,185	
Formula Grant (Government)	(5,963,470)	(5,963,470)		(5,963,475)	
Council Tax Requirement	6,950,710	6,950,710		6,950,710	

Agenda Item 8

Audit and Governance Committee

28 June 2012

Risk Review Information for 2011/12



Year End Risk Review 2011/12

Summary

Risk information for the 2011/12 financial year until March 2012 is supplied to allow the Audit and Governance Committee to monitor the risk status of Strategic and Operational Risks. This follows the Year End Review of Risks for 2011/12.

Recommendation

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

a) Reasons for Recommendation

To ensure that the Risk Management Policy and Guidance is being followed and all risks are being monitored and mitigating 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 November 2012

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 18 Strategic and 93 Operational Risks, each when first identified were considered high or medium level risks which required some form of mitigation. For this year end review for 2011/12 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 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. A report showing the medium level risks with control action detail appears in Appendix A.
5. A report showing the low level risks without control actions appears in Appendix B
6. An explanation and definitions of these risks including the risk matrix can be found in Appendix C.

Legal Implications

The report is written in line with the Risk Management Policy and requires no further comment.

Financial Implications

Details are contained in the report.

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 2011.
- Appendix B – The Risk Review report, low risks only for 2011
- Appendix C - Explanations and definitions.

Joanne Avery Ext 2332
Management Information Officer

Audit and Governance Committee
28 June 2012

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

Report for 2011/2012

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:	Not Yet Started	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

Pure Status: High (12)		Pure Risk Impact: Major	Pure Risk Likelihood: Likely		
Residual Status: Medium (6)		Residual Risk Impact: Serious	Residual Risk Likelihood: Unlikely		
Date Identified: 02 Oct 2009			Service: Strategic Objectives & Risks		
Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	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	31/03/2012
Responsible Officer: Rachel Pocock					
Review Note:					

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

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

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
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	31/03/2012
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	31/03/2012
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	31/03/2012
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	31/03/2012
Working and Effective	prudential borrowing	ensure borrowing is affordable and sustainable	Simon Davey	29/10/2009	31/03/2012
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	31/03/2012

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

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

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
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	31/03/2012
Completed	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	31/03/2012
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	31/03/2012
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	31/03/2012
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	31/03/2012

Responsible Officer: Chris Powell

Review Note: We still need to make the councils DR site effective. The project is expected to be completed in July 2012 which will provide a duplicated set of data and systems operational from Honiton. This will also improve routine back up and recovery operations.

Our latest compliance check with CoCo is in progress at present.

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.

Pure Status: Medium (8)	Pure Risk Impact: Major	Pure Risk Likelihood: Unlikely
Residual Status: Medium (8)	Residual Risk Impact: Major	Residual Risk Likelihood: Unlikely
Date Identified: 01 Oct 2009		Service: Strategic Objectives & Risks

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
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	31/03/2012
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	31/03/2012
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	31/03/2012
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	31/03/2012
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	31/03/2012
Not Effective	System Design	IT Systems designed and working for robust data back up and recovery.	Paul Bacon	05/10/2009	31/03/2012

Responsible Officer: Chris Powell

Review Note: The main Disaster Recovery site with new back up and recovery systems and processes is expected to be in place in July 2012.

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

Pure Status: Medium (9)	Pure Risk Impact: Serious	Pure Risk Likelihood: Likely
Residual Status: Medium (6)	Residual Risk Impact: Significant	Residual Risk Likelihood: Likely
Date Identified: 02 Oct 2009		Service: Strategic Objectives & Risks

Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	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	31/03/2012
Completed	ICT resources	Budget setting process prioritises ICT spend according to Corporate priorities	Chris Powell	05/10/2009	31/03/2012
Not Effective	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	31/03/2012
Completed	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	31/03/2012
Completed	Service Plans	ICT Services plans aligned with Business Service plans and Corporate Strategy through the Service Planning process.	Chris Powell	05/10/2009	31/03/2012
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	31/03/2012

Responsible Officer: Chris Powell

Review Note: The SLA needs updating to match the strategy of channel shifting. Many more systems are now considered to be required 24/7 as opposed to normal working hours and the SLA needs to reflect this.

The new ICT Strategy focuses on channel shift and mobile working. Allocated resources to make these changes may not be able to progress in the timescales preferred by the council.

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.

Pure Status: Medium (9)	Pure Risk Impact: Serious	Pure Risk Likelihood: Likely
Residual Status: Medium (6)	Residual Risk Impact: Serious	Residual Risk Likelihood: Unlikely
Date Identified: 06 Oct 2009		Service: Strategic Objectives & Risks

Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Completed	Agree the equality objectives and action plan	Agree the equality objectives and action plan - achieved in April 2012	Denise Lyon	31/03/2012	31/03/2012
Working and Effective	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	31/03/2012
Working and Effective	committee template review of decision implications	A check screen behind committee template forces a review of decision	Diana Vernon	07/10/2009	31/03/2012
Working and Effective	CPD - Continuous Professional Development	Heads of Service identify key areas for improved Officer knowledge and practice	Karen Jenkins	07/10/2009	31/03/2012
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	31/03/2012

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)

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

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	31/03/2012
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	31/03/2012
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	31/03/2012
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	31/03/2012

Responsible Officer: Simon Smale

Review Note: A corporate emergency plan exists and is continually being reviewed as are our out of hours response arrangements. Since the last review the Emergency Planning Officer has reviewed the plan as well as revising a number of other plans such as the fuel strike response plan/arrangements. Work is continuing with other Devon authorities and County to improve our emergency response arrangements.

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

Pure Status: High (12)	Pure Risk Impact: Serious	Pure Risk Likelihood: Very Likely
Residual Status: Medium (6)	Residual Risk Impact: Significant	Residual Risk Likelihood: Likely
Date Identified: 08 Oct 2009		Service: Strategic Objectives & Risks

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	31/03/2012
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	31/03/2012
Working and Effective	Standards Committee consideration of Code complaints and training	Standards Committee consideration of Code complaints and future training requirements of district and parish members.	Denise Lyon	09/10/2009	31/03/2012

Responsible Officer: Denise Lyon

Review Note:

Risk: Council services are not delivered where and how customers need them 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 'live' with the Equality Act 2010.

Pure Status: Medium (9)	Pure Risk Impact: Serious	Pure Risk Likelihood: Likely
Residual Status: Medium (6)	Residual Risk Impact: Significant	Residual Risk Likelihood: Likely
Date Identified: 12 Oct 2009		Service: Strategic Objectives & Risks

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Community Engagement Policy	Engagement Officer owns this Policy and it is to be reviewed on an annual basis.	Denise Lyon	12/10/2009	31/03/2012
in Planning / Progress	Customer Plan	May 2012 'transformation' report to Cabinet updated this plan together with comms and ICT plans.	Denise Lyon	12/10/2009	31/03/2012
in Planning / Progress	quarterly channel surveys	performance and measures information is being reviewed in July 2012 to make sure members and the public get clear and key data.	Denise Lyon	01/12/2010	31/03/2012
in Planning / Progress	Systems thinking approach to service design is prompting managers to design against demand	Services identify purpose and 'what matters' to customers and then design to meet these	Denise Lyon	12/10/2009	31/03/2012

Responsible Officer: Denise Lyon

Review Note:

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

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.

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

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	31/03/2012
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	31/03/2012
in Planning / Progress	Shared Services	To continue to look for opportunities to share services with other authorities in order to reduce costs	Denise Lyon	01/12/2010	31/03/2012
in Planning / Progress	Systems Thinking	Systems thinking measures in place to keep management attention on operations and how we are improving	Denise Lyon	12/10/2009	31/03/2012

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

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

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
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	31/03/2012
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	31/03/2012
Completed	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	31/03/2012
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	
in Planning / Progress	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	31/03/2012
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	31/03/2012

Responsible Officer: Richard Cohen

Review Note:

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 by a variety of measures, including the provision of visitor centres

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

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	Completion of Exmouth Master Plan and project implimentation	Master plan completed Jan 2012 and three priority projects identified. Projects at early stages of development including marketing, desgin and tenant/landowner consultation	Richard Cohen	01/04/2012	
in Planning / Progress	Establish single purpose vehicle	Exmouth VC board no longer required. Seaton Visitor Centre prefered provider provisionally accepted, advisory group formed (including Visitor Centre Trust) Visitor Centre Project underway.	Donna Best	10/02/2010	31/03/2012
Completed	Trust Board to produce business plan	Business plan that demonstrates ability to sustain business and pay revenue costs essential.	Donna Best	10/02/2010	31/03/2012

Responsible Officer: Richard Cohen

Review Note:

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

Risk: Non-availability of key operation centre Through an emergency (fire, flood, equipment breakdown, damage, etc) a key operation centre (or other leased building for which we are responsible) becomes unusable

Pure Status: Low (4)	Pure Risk Impact: Major	Pure Risk Likelihood: Remote
Residual Status: Medium (8)	Residual Risk Impact: Major	Residual Risk Likelihood: Unlikely
Date Identified: 15 Jun 2010		Service: Strategic Objectives & Risks

Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	contingency for alternative accommodation if appropriate	plan of action	Jane Tancock	15/06/2010	31/03/2012
Completed	contingency for Council employee remote access to systems	telephony and IT access	Chris Powell	15/06/2010	31/03/2012
in Planning / Progress	contingency for rapid reinstatement of building	bring all or part of building back into use, &/or install temporary systems and equipment	Brian Kohl	15/06/2010	31/03/2012
in Planning / Progress	contingency in place for Council employee home working	Plan of action	Chris Powell	15/06/2010	31/03/2012
in Planning / Progress	ICT Service Continuity Plan	As part of an overall BCP, this is the Disaster Recovery element if the IT systems at the Knowle were knocked out or inaccessible and we had to move data centre to East Devon Business Centre at Honiton.	Paul Bacon	03/10/2011	31/03/2012
No Data available	Set up in error		Chris Powell	15/06/2010	31/03/2012

Responsible Officer: Chris Powell

Review Note: The ICT elements of having access to systems should the Knowle become unavailable rely on mobile phones and remote access at present, both systems being used in normal day to day business. The DR site at Honiton is expected to become effective in July 2012.

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.

Pure Status: Medium (9)	Pure Risk Impact: Serious	Pure Risk Likelihood: Likely
Residual Status: Medium (6)	Residual Risk Impact: Serious	Residual Risk Likelihood: Unlikely
Date Identified: 21 Jul 2011		Service: Strategic Objectives & Risks

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	Identify financial and development viability of project		Richard Cohen	01/04/2012	
in Planning / Progress	Manage external communications and consultation		Richard Cohen	01/04/2012	
in Planning / Progress	Manage the Corporate Information Process		Richard Cohen	21/07/2011	31/03/2012
in Planning / Progress	Prepare outline planning application	By end July 2012	Richard Cohen	01/04/2012	
Completed	Recruit a Project Manager and follow a project plan		Richard Cohen	21/07/2011	31/03/2012
Completed	Re-establish a member-led working party to oversee the process		Richard Cohen	21/07/2011	31/03/2012
Completed	Secure and manage the relocation budget		Richard Cohen	21/07/2011	31/03/2012

Responsible Officer: Richard Cohen

Review Note: Minimising risk

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.

Pure Status: High (12)	Pure Risk Impact: Serious	Pure Risk Likelihood: Very Likely
Residual Status: Medium (8)	Residual Risk Impact: Major	Residual Risk Likelihood: Unlikely
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	31/03/2012
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	31/03/2012
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	31/03/2012
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	31/03/2012
No Data available	Created in Error		Libby Jarrett	14/01/2010	31/03/2012
Working and Effective	Dedicated 'Fraudline'	Dedicated 'Fraudline' which is publicised in council leaflets, magazines and on the website.	Simon Davey	08/10/2009	31/03/2012
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	31/03/2012
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	31/03/2012

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.

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

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	31/03/2012
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	31/03/2012
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	31/03/2012
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	31/03/2012
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	31/03/2012

Responsible Officer: Cherise Foster

Review Note: all controls that have been identified are in progress, working and effective. All CSA's receive ongoing training and systems are monitored to reduce the likelihood of the risk occurring.

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

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

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	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	Kate Little	07/01/2010	31/03/2012
in Planning / Progress	Buy-in specialist advice as required.		Kate Little	26/08/2011	31/03/2012
in Planning / Progress	Recruitment of additional chartered surveyors and valuers.		Kate Little	26/08/2011	31/03/2012
Responsible Officer: Kate Little					
Review Note:					

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

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

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	31/03/2012
Completed	Asset Management Plan in place.		Brian Kohl	08/09/2010	31/03/2012
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	31/03/2012
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	31/03/2012
in Planning / Progress	Review of assets for disposal		Brian Kohl	31/08/2011	31/03/2012
Completed	Staff resources recruited to create comprehensive asset register.		Brian Kohl	08/09/2010	31/03/2012
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.

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

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	New Growth Point Steering Board and team helping to find solutions both financial and practical.		Andrew Wood	12/09/2011	31/03/2012
in Planning / Progress	Review S106 requirements.		Andrew Wood	12/09/2011	31/03/2012
in Planning / Progress	Seek 'open book' accounts on viability for planning purposes.		Andrew Wood	12/09/2011	31/03/2012
in Planning / Progress	Seek upfront funding options.		Andrew Wood	12/09/2011	31/03/2012

Responsible Officer: Andrew Wood

Review Note: One site if now moving forward and a further bid is progressing for the Science park

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.

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

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	31/03/2012
in Planning / Progress	Examine future role re CIL and Delivery Board proposals.		Andrew Wood	12/09/2011	31/03/2012
in Planning / Progress	Write 3 year business plan with proposals to be self funding.		Andrew Wood	12/09/2011	31/03/2012

Responsible Officer: Andrew Wood

Review Note:

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

Risk: Securing up-front funding for major infrastructure in the west end. Securing up-front funding for major infrastructure in the west end to serve both East Devon and Exeter's needs.

Pure Status: Medium (9)	Pure Risk Impact: Serious	Pure Risk Likelihood: Likely
Residual Status: Medium (9)	Residual Risk Impact: Serious	Residual Risk Likelihood: Likely
Date Identified: 12 Sep 2011		Service: Econ Dev

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	Partnership working well established with infrastructure providers.		Andrew Wood	12/09/2011	31/03/2012
in Planning / Progress	Securing appropriate policies in Local Plans.		Andrew Wood	12/09/2011	31/03/2012
in Planning / Progress	Seek practical solutions and funding options via bid proposals e.g. Enterprise Zone	Seek practical solutions and funding options via bid proposals e.g. Enterprise Zone and business rates. Expressions of interest , round three of Regional Growth Fund to establish Local Infrastructure Fund	Andrew Wood	12/09/2011	31/03/2012

Responsible Officer: Andrew Wood

Review Note:

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

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

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	Review potential liabilities via due diligence exercise.		Andrew Wood	12/09/2011	31/03/2012

Responsible Officer: Richard Cohen

Review Note: Will keep due diligence in view, 2/5/12 meeting with key officers and Cllrs as science park shareholder and board members to review progress and governance.

Proposals developing for first phase innovation centre requiring funding bids, outcome of which to be determined therefore continued risk in terms of delivery and investment.

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

Risk: Failure to manage Health and Safety responsibilities effectively Failure of effective management of the Council's health and safety responsibilities may result in serious injury to employees or public and/or risk of litigation

Pure Status: High (16)	Pure Risk Impact: Major	Pure Risk Likelihood: Very Likely
Residual Status: Medium (6)	Residual Risk Impact: Serious	Residual Risk Likelihood: Unlikely
Date Identified: 30 Sep 2009		Service: Env Health

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Appropriate policies	Ensure appropriate HS policies are in place	Andrew Ennis	01/10/2009	31/03/2012
Working and Effective	Appropriate safety advice/monitoring	Fully trained health and safety adviser employed to advise on HS management and monitor effectiveness	Andrew Ennis	01/10/2009	31/03/2012
Working and Effective	Continuous professional development in legal responsibilities	Service based training and discussion of legal duties and safety impacts	Andrew Ennis	07/10/2009	31/03/2012
Working and Effective	Risk management	Appropriate risk assessments carried out by all managers and reviewed by the joint Health and Safety Committee.	Andrew Ennis	01/10/2009	31/03/2012
Working and Effective	Safeguarding Children Policy	Adherence to the Safeguarding Children Policy	Andrew Ennis	27/10/2009	31/03/2012
Working and Effective	Safety Review by Health and Safety Officer and/or Service Reps	An annual review of the working environment is carried out by the Health and Safety officer together with an annual review of Health & Safety risks by the Health Safety Officer	Andrew Ennis	07/10/2009	31/03/2012

Responsible Officer: Andrew Ennis

Review Note:

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

Pure Status: High (12)	Pure Risk Impact: Serious	Pure Risk Likelihood: Very Likely
Residual Status: Medium (6)	Residual Risk Impact: Serious	Residual Risk Likelihood: Unlikely
Date Identified: 02 Oct 2009		Service: Finance

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
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	31/03/2012
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	31/03/2012
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	31/03/2012
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	31/03/2012
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	31/03/2012
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	31/03/2012
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	31/03/2012

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

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

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
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	31/03/2012
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	31/03/2012
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	31/03/2012
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	31/03/2012
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	31/03/2012

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					
Pure Status: Medium (6)		Pure Risk Impact: Serious		Pure Risk Likelihood: Unlikely	
Residual Status: Medium (6)		Residual Risk Impact: Serious		Residual Risk Likelihood: Unlikely	
Date Identified: 13 Oct 2009				Service: Finance	
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	31/03/2012
Working and Effective	Annual committee scrutiny	annual budget and operational report to Council committee	Simon Davey	14/10/2009	31/03/2012
Working and Effective	Member reps on LED Board	early information of risks	Simon Davey	14/10/2009	31/03/2012
Working and Effective	Quarterly monitoring of SLA	monitoring all the SLA reports	Simon Davey	14/10/2009	31/03/2012
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					
Pure Status: High (16)		Pure Risk Impact: Major		Pure Risk Likelihood: Very Likely	
Residual Status: Medium (8)		Residual Risk Impact: Major		Residual Risk Likelihood: Unlikely	
Date Identified: 30 Oct 2009				Service: Finance	
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	31/03/2012
Working and Effective	sample testing	on a regular and routine basis a sample of Processed claims are accuracy checked	Libby Jarrett	30/10/2009	31/03/2012
Working and Effective	Staff development	staff are fully trained on the implications of incorrect calculation of benefit	Libby Jarrett	30/10/2009	31/03/2012
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

Pure Status: High (12)	Pure Risk Impact: Serious	Pure Risk Likelihood: Very Likely
Residual Status: Medium (6)	Residual Risk Impact: Significant	Residual Risk Likelihood: Likely
Date Identified: 30 Oct 2009		Service: Finance

Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and 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	31/03/2012
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	31/03/2012

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 certin groups; pensioners and the vulnerable.

Pure Status: Medium (16)	Pure Risk Impact: Major	Pure Risk Likelihood: Very Likely
Residual Status: Medium (6)	Residual Risk Impact: Serious	Residual Risk Likelihood: Unlikely
Date Identified: 31 Mar 2012		Service: Finance

Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	Consultation	Ongoing discussions with software suppliers, claiments and stakeholders (DCC, Police and Fire)	Simon Davey	31/03/2012	31/03/2012
in Planning / Progress	Funding	The government has provided additional administrative grant to help implement the scheme.	Simon Davey	31/03/2012	31/03/2012
in Planning / Progress	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	31/03/2012

Responsible Officer: Simon Davey

Review Note:

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

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.

Pure Status: High (16) **Pure Risk Impact: Major** **Pure Risk Likelihood: Very Likely**

Residual Status: Medium (8) **Residual Risk Impact: Major** **Residual Risk Likelihood: Unlikely**

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	Disaster recovery process	Ability to transfer calls to Burnside office in Exmouth	John Golding	01/10/2009	31/03/2012
Working and Effective	Maintenance contract	Contract with software supplier with 4 hour response time.	John Golding	01/10/2009	31/03/2012
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	31/03/2012
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	31/03/2012
Working and Effective	UPS system	Uninterrupted Power Supply installed	John Golding	01/10/2009	31/03/2012

Responsible Officer: Sue Bewes

Review Note:

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.

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	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	31/03/2012
in Planning / Progress	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	31/03/2012
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	31/03/2012
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	31/03/2012
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	31/03/2012

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	31/03/2012
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	31/03/2012
in Planning / Progress	Patch working	Internal Audit will be consulted before any changes in operational practice is implemented through Systems Thinking Redesign.	John Golding	12/05/2010	31/03/2012
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	31/03/2012
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	31/03/2012
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	31/03/2012
Working and Effective	Systems Thinking Regime	Tenant Handbook and Systems Thinking redesign.	John Golding	02/10/2009	31/03/2012

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.					
Pure Status: High (12)		Pure Risk Impact: Serious		Pure Risk Likelihood: Very Likely	
Residual Status: Medium (6)		Residual Risk Impact: Serious		Residual Risk Likelihood: Unlikely	
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	31/03/2012
Working and Effective	Contract conditions	Adherence to the contract conditions and close liaison with contractors.	John Golding	02/10/2009	31/03/2012
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	31/03/2012
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	31/03/2012
Responsible Officer: John Golding					
Review Note: Current contractor has provided a good service during year. Retendering of day to day maintenance contract has been completed and two (one existing) contractors have been appointed for the next five years.					

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.					
Pure Status: Medium (8)		Pure Risk Impact: Major		Pure Risk Likelihood: Unlikely	
Residual Status: Medium (6)		Residual Risk Impact: Significant		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	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	31/03/2012
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	31/03/2012
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	31/03/2012
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	31/03/2012
Responsible Officer: John Golding					
Review Note: Rest Centre procedure needs reviewing and updating (task for the Housing Projects Officer)					

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 (8)		Residual Risk Impact: Major		Residual Risk Likelihood: Unlikely	
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	31/03/2012
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	31/03/2012
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	31/03/2012
Completed	Staff training	DVD training available	John Golding	02/11/2009	31/03/2012
Responsible Officer: John Golding					
Review Note: Self-assessment audit and improvement plan produced in 2012 with areas for improvement identified.					

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.					
Pure Status: High (12)		Pure Risk Impact: Serious		Pure Risk Likelihood: Very Likely	
Residual Status: Medium (6)		Residual Risk Impact: Serious		Residual Risk Likelihood: Unlikely	
Date Identified: 01 Oct 2009				Service: Housing	
Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
No Data available	Control Removed	Control Removed by JJ - November 2009	John Golding	28/10/2009	31/03/2012
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	31/03/2012
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	31/03/2012
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	31/03/2012
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	31/03/2012
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	31/03/2012
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.					
Pure Status: High (16)		Pure Risk Impact: Major		Pure Risk Likelihood: Very Likely	
Residual Status: Medium (8)		Residual Risk Impact: Major		Residual Risk Likelihood: Unlikely	
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	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	31/03/2012
in Planning / Progress	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	31/03/2012
in Planning / Progress	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	31/03/2012
in Planning / Progress	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	31/03/2012
Responsible Officer: Sue Bewes					
Review Note:					

Risk: Failure to provide accurate or helpful housing/homelessness advice Erroneous or incorrect housing advice given which could result in a tenant or owners losing their home and/or the Council failing to fulfil its legal duties. This could result in adverse publicity and/or legal action, or an Ombudsman complaint upheld against us.					
Pure Status: High (12)		Pure Risk Impact: Serious		Pure Risk Likelihood: Very Likely	
Residual Status: Medium (6)		Residual Risk Impact: Serious		Residual Risk Likelihood: Unlikely	
Date Identified: 05 Oct 2009				Service: Housing	
Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Procedures	Ensure that clear procedures and good practice advice is available and accessible by staff working in the field.	John Golding	05/10/2009	31/03/2012
Working and Effective	Scrutinise decisions	Managers to regularly scrutinise decisions made by staff and sample check advice being provided.	John Golding	05/10/2009	31/03/2012
Working and Effective	Staff supervision	Ensure that staff are properly supervised and can call on a manager for advice and support.	John Golding	05/10/2009	31/03/2012
Working and Effective	Staff training	Ensure that housing staff who give advice undergo comprehensive training on the legal framework they are operating within, case law and housing options.	John Golding	05/10/2009	31/03/2012
Responsible Officer: Dennis Boobier					
Review Note: Quality Standard Framework in place. Regular peer audits of our housing options and advice service. Regular training of staff. Partnership working across Devon.					

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

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.

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: 13 Oct 2009		Service: Housing

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	31/03/2012
Working and Effective	Social housing fraud initiative	Subscribing to the national fraud prevention initiative and following Audit Commission advice.	Dennis Boobier	13/10/2009	31/03/2012
Working and Effective	Tenancy Fraud Strategy	Strategy agreed by the Housing Review Board to be implemented.	Dennis Boobier	04/05/2011	31/03/2012
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	31/03/2012

Responsible Officer: Sue Bewes
Review Note:

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.

Pure Status: Medium (8)	Pure Risk Impact: Significant	Pure Risk Likelihood: Very Likely
Residual Status: Medium (6)	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	Comprehensive Member Welcome (Induction) programme following elections	Implemented 4 yearly and as necessary where there are by-elections	Diana Vernon	29/10/2009	31/03/2012
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	31/03/2012
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	31/03/2012
Working and Effective	Members' page on website	A secure area which provides links to training and development, resources from improvemnet sites such as IDEA and Ashridge management education	Diana Vernon	29/10/2009	31/03/2012

Responsible Officer: Rachel Pocock
Review Note:

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

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

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

Residual Status: Medium (6) **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	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	31/03/2012

Responsible Officer: Rachel Pocock

Review Note:

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.

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: 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	31/03/2012
in Planning / Progress	Sufficient legal staff (in house and/or consultants) available to meet needs	Budgetary and service planing processes; agreement by Chief Executive	Rachel Pocock	29/10/2009	31/03/2012

Responsible Officer: Rachel Pocock

Review Note: Vacancies in the legal team continue to have an impact;we are mitigating the risk through priritising work, an agency member of staff and a recruitment drive.

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

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.

Pure Status: High (12)	Pure Risk Impact: Serious	Pure Risk Likelihood: Very Likely
Residual Status: Medium (6)	Residual Risk Impact: Significant	Residual Risk Likelihood: Likely
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	31/03/2012
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	31/03/2012
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	31/03/2012

Responsible Officer: Rachel Pocock

Review Note:

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.

Pure Status: High (12)	Pure Risk Impact: Serious	Pure Risk Likelihood: Very Likely
Residual Status: Medium (6)	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	Inspections	Inspection of licensed premises and vehicles	John Tippin	29/10/2009	31/03/2012
No Data available	none		John Tippin	29/10/2009	31/03/2012
Working and Effective	Staff training and development	Service Plan, Performance Excellence reviews; staff 121s	John Tippin	29/10/2009	31/03/2012

Responsible Officer: Rachel Pocock

Review Note:

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

Risk: Failure to pay the right people, the right salary on time 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.

Pure Status: High (12)	Pure Risk Impact: Serious	Pure Risk Likelihood: Very Likely
Residual Status: Medium (6)	Residual Risk Impact: Serious	Residual Risk Likelihood: Unlikely
Date Identified: 14 Sep 2009		Service: Org Dev

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Qualified payroll officers in post	The qualified team are able to ensure pay and benefits are processed accurately. Errors are measured and manuals have been introduced to document key processes.	Karen Jenkins	15/09/2009	31/03/2012

Responsible Officer: Karen Jenkins

Review Note: Continuous updating and reviews of manuals, successful test of running the payroll remotely (at home) in the event of a serious emergency. Also increasing retention of documents electronically rather than paper. Continuously reviewing reconciliation processes to ensure accuracy and robustness. Annual payroll audits have given a high assurance that all processes and controls are good with only minor recommendations.

Risk: Failure to meet statutory duties in relation to payroll Failure to comply with statutory duty to submit all documentation relating to tax, national insurance, pensions and end of year documentation.

Pure Status: High (12)	Pure Risk Impact: Serious	Pure Risk Likelihood: Very Likely
Residual Status: Medium (6)	Residual Risk Impact: Serious	Residual Risk Likelihood: Unlikely
Date Identified: 14 Sep 2009		Service: Org Dev

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Qualified team in place	Payroll Services and ICT team work together to ensure these online submissions are submitted to HMRC annually.	Karen Jenkins	15/09/2009	31/03/2012

Responsible Officer: Karen Jenkins

Review Note: Test submissions are made prior to live and any issues resolved. Work closely with ICT to ensure server links and settings correct. All statutory year end submissions to HMRC made with no errors or transmission issues. Returns balanced back to the accounts and no issues.

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

Risk: Failure to process information in accordance with FOI and Data Protection legislation 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.

Pure Status: High (16)	Pure Risk Impact: Major	Pure Risk Likelihood: Very Likely
Residual Status: Medium (8)	Residual Risk Impact: Major	Residual Risk Likelihood: Unlikely
Date Identified: 14 Sep 2009		Service: Org Dev

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Completed	Corporate Policy relating to Freedom of Information and Data Protection	This policy ensures that FOI requests are processed in accordance with legislation.	Karen Jenkins	15/09/2009	31/03/2012
in Planning / Progress	Training for staff in Freedom of Information and guidance in Data Protection	Key officers have been trained in the operation of the Freedom of Information Policy and guidance has been issued for Data Protection information.	Karen Jenkins	15/09/2009	31/03/2012
Responsible Officer: Kate Symington					
Review Note:					

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.

Pure Status: High (12)	Pure Risk Impact: Serious	Pure Risk Likelihood: Very Likely
Residual Status: Medium (8)	Residual Risk Impact: Significant	Residual Risk Likelihood: Very Likely
Date Identified: 17 Sep 2009		Service: Org Dev

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Not Effective	Communciation 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	31/03/2012
Responsible Officer: Karen Jenkins					
Review Note: 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					

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

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'.

Pure Status: High (16) **Pure Risk Impact: Major** **Pure Risk Likelihood: Very Likely**

Residual Status: Medium (6) **Residual Risk Impact: Serious** **Residual Risk Likelihood: Unlikely**

Date Identified: 17 Sep 2009 **Service: Org Dev**

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	31/03/2012

Responsible Officer: Jamie Buckley

Review Note:

Risk: Local Government Pension Scheme Failure to properly administer the pension scheme for the administering authority Devon County Council which could result in failure to meet statutory duties and cause detriment to individuals within the scheme.

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

Residual Status: Medium (6) **Residual Risk Impact: Serious** **Residual Risk Likelihood: Unlikely**

Date Identified: 20 Jan 2010 **Service: Org Dev**

Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	AVC applications and contributions are in line with signed authority	Verify that AVC applications and contributions are in line with signed authority	Terry Wilson	01/02/2010	31/03/2012
Completed	Certificates of Pension Protection	These will be removed as they are no longer required under the legislation.	Terry Wilson	01/02/2010	31/03/2012
Working and Effective	Changes to LGP Scheme Membership are authorised by Member	Any change to a Member's membership (ie: agreement for increased contributions or retired/redundant members or resignation of member etc should be authorised.	Terry Wilson	01/02/2010	31/03/2012
Working and Effective	Payroll Manager ensures team are trained to carry out calculations to ensure correct deductions.	Procedure manuals outline process to staff to ensure they are aware of the contractual entitlements relating to the pension scheme rules.	Terry Wilson	20/01/2010	31/03/2012
Working and Effective	Pension 'opt in/opt out' forms are present and signed	Staff have either 'opted in or opted out of the LGP Schem. Opt in/Opt out Forms will detail this - they should be present and signed.	Terry Wilson	01/02/2010	31/03/2012
Completed	Policy on pension discretions	The Council has undertaken to formulate and keep under review policies on the exercise of certain discretions (Regs 106).	Terry Wilson	01/02/2010	31/03/2012

Responsible Officer: Helen Watson, Terry Wilson

Review Note: Increasing guidance and electronic forms available from pensions admin authority (DCC) enable better calculations and provision of data for determining pension benefits. Discretions policy reviewed in 2011. Opt forms are retained as evidence of decision to minimise subsequent claims. Procedure manuals and information relating to the scheme available on the intranet and DCC website (which is referred to in staff communication on pension issues).

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.

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

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
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	31/03/2012
Completed	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	31/03/2012
Working and Effective	Dangerous Structures	Maintain formal dangerous structures & demolition 'out of hours' rota and payment for overtime system.	Paul Seager	05/08/2009	31/03/2012
Working and Effective	Dangerous Structures	Policy and Procedure review relating to Dangerous Structures and Enforcement.	Paul Seager	23/03/2010	31/03/2012
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	31/03/2012
Working and Effective	Insurance	Ensure adequate insurance (corporate and personal/professional indemnity)	Paul Seager	05/08/2009	31/03/2012
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	31/03/2012
Working and Effective	Quality Management System	Introduce & maintain Quality Management System and registration under BS ISO 9001:2008	Paul Seager	05/08/2009	31/03/2012

Responsible Officer: Paul Seager

Review Note: Investment in Building Control will be necessary as changes in statutory requirements are implemented and/or due to corporate development in areas such as ICT, Mobile/remote working, legislative changes.

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'.

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

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	31/03/2012
Working and Effective	End of day call in system in place		Paul Seager	26/08/2011	31/03/2012
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	31/03/2012
Working and Effective	Regular review of lone workers procedures		Paul Seager	26/08/2011	31/03/2012
Working and Effective	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	31/03/2012

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.

Pure Status: Medium (6) **Pure Risk Impact: Significant** **Pure Risk Likelihood: Likely**

Residual Status: Medium (6) **Residual Risk Impact: Significant** **Residual Risk Likelihood: Likely**

Date Identified: 26 Aug 2011 **Service: Planning**

Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Formal Complaint System	Formal Complaint System	Ed Freeman	26/08/2011	31/03/2012
in Planning / Progress	Overview & Scrutiny TAFF review of planning system.	Overview & Scrutiny TAFF review of planning system.	Ed Freeman	26/08/2011	31/03/2012
Working and Effective	Performance Management with real time data	Performance Management with real time data	Ed Freeman	26/08/2011	31/03/2012
Not Yet Started	Systems review of conservation service	Systems review of conservation service	Ed Freeman	26/08/2011	31/03/2012
Working and Effective	Team management of cases	Team management of cases	Ed Freeman	26/08/2011	31/03/2012

Responsible Officer: Ed Freeman

Review Note:

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.

Pure Status: High (16) **Pure Risk Impact: Major** **Pure Risk Likelihood: Very Likely**

Residual Status: Medium (6) **Residual Risk Impact: Significant** **Residual Risk Likelihood: Likely**

Date Identified: 21 Sep 2009 **Service: StreetScene**

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	31/03/2012
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	31/03/2012
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	31/03/2012
in Planning / Progress	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	31/03/2012
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	31/03/2012
Working and Effective	Programme of inspection for Memorials and Cemetary Maintenance	Memorials and cemetaries 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	31/03/2012
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	31/03/2012

Responsible Officer: Andrew Hancock

Review Note: We now have a Technical Officer mapping all streetscene assets and are working with ICT to identify a solution to programme inspections/maintenance on these assets.

Low and no data risks (SR & OR)

Annual report for 2011/2012

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	

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.	Marketing strategy reviewed annually, 2012 review is outstanding... Possible actions - promoting the benefits of the BC service directly to the residence of EDDC through the various council wide mailshots.
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 (2)	<u>Failure to Produce Local Plan by end of 2012 could result in development in an unplanned fashion</u>	Failure to Produce Local Plan by end of 2012 could result in development in an unplanned fashion	
Low (2)	<u>Failure to implement a Community Infrastructure Levy (CIL) charging schedule by 2014</u>	Failure to implement a Community Infrastructure Levy (CIL) charging schedule by 2014 (mandatory start date)	
Low	<u>Lack of funding and other resources for</u>	Lack of funding and other resources for	

Low and no data risks (SR & OR)

Service: Planning Policy

Risks

Status	Title	Description	Notes
(4)	<u>neighbourhood planning work</u>	neighbourhood planning work	

Service: Countryside

Risks

Status	Title	Description	Notes
Low (2)	<u>Arboricultural professional liability for dangerous trees</u>	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)	<u>Safety of staff using dangerous equipment</u>	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)	<u>Failure to carry out public health duties and powers effectively</u>	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)	<u>Incorrect decisions on contaminated land</u>	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)	<u>Failure to carry out Food Safety and Health and Safety enforcement effectively</u>	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)	<u>Failure to maintain a clean and safe environment - fleet, machinery, plant and play equipment</u>	Failure to maintain a clean and safe environment because of a lack of fleet, machinery and/or plant and also failing to maintain play equipment to acceptable safety standards.	Continuous rolling reviews of equipment and fleet are part of our culture and well established. Yearly programmes of fleet and machinery review are structured and timetabled to ensure this risk is very unlikely to occur. We also attend workshops and seminars/shows to ensure we keep abreast of the latest technology and developments.

Low and no data risks (SR & OR)

Service: StreetScene

Risks

Status	Title	Description	Notes
Low (4)	<u>A failure to effectively manage on-street and off-street Civil Parking Enforcement</u>	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.	
No Data (0)	<u>Failure to ensure adequate sea defences and flood alleviation schemes</u>	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)	<u>The continuity of the refuse and recycling service</u>	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)	<u>The provision of an efficient and effective audit and governance service by SWAP</u>	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)	<u>Fraud, theft and/or irregularity of physical assets</u>	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.	

Service: Finance

Risks

Status	Title	Description	Notes

Low and no data risks (SR & OR)

Service: Finance

Risks

Status	Title	Description	Notes
Low (2)	<u>Funding from grants not received</u>	That the Council does not receive grants and contributions to which it is entitled to meet, or help meet, its expenses	
Low (3)	<u>Security of cash in transit</u>	Failure to ensure the security of cash and the physical safety of those who transport it.	
Low (3)	<u>Electronic transfer/payment of monies</u>	Failure to ensure the correct amounts are paid and reach the correct destination.	
Low (4)	<u>Failure to set a Council Budget</u>	Failure to set a budget on time which provides the finances to deliver the Council's strategy and services for its customers.	
Low (4)	<u>Failure to monitor budgets</u>	Failure to keep the Council's spending within approved budgets and resources available to it.	
Low (3)	<u>Prudential borrowing</u>	Borrowing by the council is limited to that which is affordable and sustainable	
Low (4)	<u>Delay in processing and administrating Housing Benefit payments</u>	Failure to pay the correct amount to the right person on time.	
Low (4)	<u>Failure to collect all income due to the council - council tax, business rates, rent & fines</u>	Failure to calculate, record, bill and collect sums due to the council from taxpayers and businesses, rent due and car parking fines	
Low (4)	<u>If the Council does not have adequate insurance in place losses incurred could not be accommodated</u>	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)	<u>HRA Business Plan</u>	HRA Business Plan	

Service: Housing

Risks

Status	Title	Description	Notes
Low (4)	<u>Fraud re housing grants</u>	Without appropriate controls on approving grants and monitoring budgets there is risk of fraud and to the Councils finances	The Devon wide Home Improvement Agency Contract came to an end in April 2011 and this has led to EDDC having greater control over the whole customer journey for Disabled Facilities Grants. The procedures for approving grants has been tightened up. Reviews have taken place and will continue to be carried out and implementation of further controls to minimise the risks of fraud will be put in place over the next 12 months
Low (4)	<u>New-Build Council Homes</u>	The risks associated with being a developer of council homes, especially with regards potential	No new build on site for most of last year.

Low and no data risks (SR & OR)

Service: Housing

Risks

Status	Title	Description	Notes
		abortive costs, cost overruns, failure to obtain planning permission and loss of HCA grant.	
Low (4)	<u>Failure to achieve Housing Strategy targets</u>	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.	Achieved 148 units in 2011/12 - a very good result. The risk likelihood can be changed for 2012/13 to 'unlikely' as the target of 100 is expected to be achieved.
Low (2)	<u>Maintain a Housing Register</u>	Comply with the legislation and guidance in respect of access to housing through a Housing Register.	Devon Home Choice is an effective method for allocating Council homes when they become empty and available for letting
Low (4)	<u>Fraud re Rent Collection</u>	Lack of segregation of officers who create and collect debts gives rise to a potential for fraud.	

Service: Information Technology

Risks

Status	Title	Description	Notes
Low (3)	<u>ICT services and capacity is insufficient to meet corporate needs.</u>	ICT services and capacity is insufficient to meet corporate needs.	There are three areas needing refreshing to bring back up to a good level of operation: 1) ICT SLA...is out of date with regard to new systems and some confusion exists with customers as to whether systems are supported 24/7 2) With Windows 7 approaching the skill set of all the ICT team needs updating. 3) While the on-line training and testing exists and is effective the training on offer for ICT users has diminished and needs re-organising.
Low (2)	<u>ICT support capability</u>	Capability to provide user support for incidents and service requests.	The processes for support and improvement are working. The problem review analysis is identifying issues but at present there is little trained capacity to work on these. Two of the staff have joined within the last 6 months and are still finding their feet. Once fully operational they will create the needed capacity to enable problems to be solved.
Low (2)	<u>IT Systems meet the Council</u>	IT systems must be procured, developed and	Identified ICT staff manage the ICT systems and suppliers to maintain the systems at an

Low and no data risks (SR & OR)

Service: Information Technology

Risks

Status	Title	Description	Notes
	<u>business needs</u>	managed in order to meet the needs of the service units across the council.	operational, safe and cost effective position. The ICT Strategy 2012-2016 has just been adopted by Cabinet which will focus attention and resources on the area most needed by the council.
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 to mitigate for this.	These pragmatic controls balance bureaucracy, speed, consultation, risk and the need to make change and appear to be working.

Service: Electoral Services

Risks

Status	Title	Description	Notes
Low (4)	<u>Incapacitation of all staff for protracted period re Elections</u>	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)	<u>Failure to promote democratic engagement</u>	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)	<u>Failure to plan and organise meetings in line with statutory requirements</u>	A risk of missing statutory deadlines through a lack of organisation or effective communication with/by other services.	
Low (4)	<u>Council officers and/or members fail to take legal advice</u>	Financial, reputational and legal losses may result from illegal and/or unlawful actions.	
Low (4)	<u>Failure to engage staff in organisational change</u>	Uncertainty of local government structure and/or plans for internal change within the authority not managed well withn authority.	

Service: Org Dev

Low and no data risks (SR & OR)

Service: Org Dev

Risks

Status	Title	Description	Notes
Low (2)	<u>Absence management</u>	Loss of productivity and adverse impact on colleagues and customers through high staff absence.	
Low (2)	<u>Workforce planning and development</u>	Planning and development activity to ensure we have the right people, with the right skills at the right time.	
Low (2)	<u>Compliance with employment legislation</u>	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)	<u>Failure to manage and monitor organisational performance</u>	Need to ensure that organisational performance is monitored internally using a range of leading and lagging performance measures.	Monthly and Quarterly Performance Reports have been submitted to Cabinet and Overview and Scrutiny Committee throughout the year. There is now ongoing work in improve these reports and publish them on the internet for the public to have better access to them.
Low (2)	<u>Employee screening</u>	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.	

Service: Strategic Objectives & Risks

Risks

Status	Title	Description	Notes
Low (4)	<u>Adequate human resources</u>	The Council fails to plan and maintain resources at a level and skill to meet its key objectives and service requirements	Careful monitoring of budgets and medium term financial planning will be important to ensure this risk is controlled.
Low (4)	<u>Service provision jeopardised through unexpected major loss of income</u>	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)	
Low (2)	<u>Lack of 5 year housing land supply and associated</u>	Council fails to have 5 year supply of housing land, therefore: a) does not build number of houses	

Low and no data risks (SR & OR)

Service: Strategic Objectives & Risks

Risks

Status	Title	Description	Notes
	<u>infrastructure</u>	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	

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Appendix C - Explanations and definitions

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
SCORE 4 MAJOR - IMPACT / OUTCOME (One or a combination of the following)					
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
SCORE 3 SERIOUS - IMPACT / OUTCOME (One or a combination of the following)					
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
SCORE 2 SIGNIFICANT - IMPACT / OUTCOME (One or a combination of the following)					
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
SCORE 1 MINOR - IMPACT / OUTCOME (One or a combination of the following)					
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

Agenda Item 9

Audit and Governance Committee

28 June 2012

AEE



Internal Audit Plan – Review of 2011/12

Summary

This report provides the outturn position for the Internal Audit Plan at the end of 2011/12 and also provides Internal Audits overall opinion on the systems of internal control at East Devon District Council.

Recommendation

To note the content of the Internal Audit Annual Report and Opinion.

a) Reasons for Recommendation

The Accounts and Audit Regulations (England) 2011 requires public authorities to publish an Annual Governance Statement (AGS). The Statement is an annual review of the Systems of Internal Control and gathers assurance from various sources to support it. One such source is Internal Audit. The Head of Internal Audit should provide a written annual report to those charged with governance to support the AGS. The purpose of this report is to satisfy this requirement and Members are asked to note its content.

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

1 Main Body of the Report

The Audit Committee agreed the 2011/12 Internal Audit plan at its March 2011 meeting. An update was provided for Quarter 1 in June 2011, Quarter 2 in September 2011 and Quarter 3 in January 2012. This report is the final outturn position at the end of Quarter 4.

Appendix A – Detailed Internal Audit Annual Report and Opinion for 2011/12
Appendix B – Summary of Audit Progress and Opinions for the 2011/12 Audit Plan
Appendix C – Audit Opinion Definitions
Appendix D – Significant Corporate Risks

Legal Implications

The legal implications are set out within the Audit plan require no further comment.

Financial Implications

There are no direct financial implications.

Consultation on Reports to the Cabinet

Background Papers

None

Andrew Ellins - Audit Manager

Tel: 01395 578829 / 07720312464

andrew.ellins@southwestaudit.gov.uk

Audit and Governance Committee
28 June 2012



Appendix A

East Devon District Council

Internal Audit Plan – Review of 2011/12

Contents

The contacts at SWAP in connection with this report are:

Gerry Cox

Head of Internal Audit Partnership
Tel: 01935 462371
gerry.cox@southwestaudit.gov.uk

Chris Gunn

Group Audit Manager
Tel: 07917 628779
chris.gunn@southwestaudit.gov.uk

Andrew Ellins

Audit Manager
Tel: 01395 578829
07720 312464
andrew.ellins@southwestaudit.gov.uk

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Operational Reviews	Page 4-5
Information Systems	Page 6
Key Controls- Finance	Page 7
Governance and Fraud	Page 8
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Annual Opinion:

The Group Audit Manager is required to provide an annual opinion report to support the Annual Governance Statement.

Purpose of Report and Recommendation

The Accounts and Audit Regulations (England) 2011 requires public authorities to publish an Annual Governance Statement (AGS). The Statement is an annual review of the Systems of Internal Control and gathers assurance from various sources to support it. One such source is Internal Audit. The Head of Internal Audit should provide a written annual report to those charged with governance to support the AGS. This report should include the following:

- an opinion on the overall adequacy and effectiveness of the organisation's risk management systems and internal control environment
- disclose any qualifications to that opinion, together with the reasons for the qualification
- present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies
- draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement
- compare the work actually undertaken with the work that was planned and summarise the performance of the internal audit function against its performance measures and criteria
- comment on compliance with these standards and communicate the results of the internal audit quality assurance programme.

The purpose of this report is to satisfy this requirement and Members are asked to note its content.

Background

The Internal Audit service for East Devon District Council is provided by the South West Audit Partnership (SWAP). SWAP has adopted and works to the Standards of the Institute of Internal Auditors. The Partnership is also guided by the Internal Audit Charter which is reviewed annually. Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. Primarily the work of the Unit is based on the Annual Plan agreed by Senior Management and this Committee. This report summarises the activity of SWAP for the year April 2011 to March 2012.

Summary of Work 2011/12

The agreed Annual Audit Plan covers the following key areas of Activity:

- OPERATIONAL AUDITS
- INFORMATION SYSTEMS
- KEY CONTROLS, Finance
- GOVERNANCE & FRAUD
- SPECIAL REVIEWS
- THEMED AUDITS

Each audit is provided with one of four Audit Opinions;

- Comprehensive
- Reasonable
- Partial
- None

Appendix C has a definition of each Opinion.

Audits Planned 2011/12

The schedule provided at Appendix B contains a list of all audits agreed for inclusion in the Annual Audit Plan 2011/2 and the final outturn for the financial year. In total, 37 audit reviews were completed in the year and a further 1 audit is due for completion. 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.

Of the 38 audits, they are broken down as follows:

	Original Audit Plan	Revised Audit Plan
Operational Audits	20	18 (Note 1)
Information Systems	3	3
Key Control Audits	9	9
Governance and Fraud	9	8 (Note 2)
Special Reviews	0	0
Total	41	38

- Note 1 – Travel Expenses was added at the request of Members at the March 2011 Audit and Governance Meeting, Asset Management and E Procurement were deferred (5% cuts) and Electoral Systems Management was removed and replaced with Key Control Audit work.
- Note 2 - Bribery Act was added following a recommendation from the Corporate Legal and Democratic Services Manager at the Strategic Managers Meeting in April 2011. Data Quality and Business Continuity were removed and replaced by Key Control Audit work.

Annual Opinion:

The Group Audit Manager is required to provide an annual opinion report to support the Annual Governance Statement.

Group Audit Manager's Annual Opinion

It is not possible for the Annual Internal Audit Plan to cover and provide assurance on all areas of the Council's business. In order to seek assurance, the Head of Finance annually seeks the assurance of Senior Managers as to the adequacy of the internal control environment for their service areas. A signed Operational Statement has been returned for each service offering assurance that necessary controls are in place and operating as intended.

In 2011/12 there were only 10 audits that received Partial Assurance compared with 20 audits that only achieved Partial in 2010/11. This Annual opinion report is based on SWAP's first full year as EDDC's Internal Audit provider and it was apparent that there is an improving internal control environment as SWAP's recommendations are being implemented and risk management awareness improves.

Considering the balance of the audit work and outcomes, overall I am able to offer **REASONABLE** assurance in respect of the areas reviewed during the year as on balance most were found to be adequately controlled. Risks are generally managed, although there are some areas that require the introduction or improvement of internal control to help achieve EDDC's service and corporate objectives.

Local Government, along with other Public Sector partners is experiencing unprecedented change driven by Central Government and will result in many challenges for EDDC. These changes will mean greater reliance will be placed on internal systems and their effectiveness. In order to make changes and react to new and emerging risks, the Council will need assurance that Internal Controls are in place and operating effectively.

A key objective of SWAP is to continue to support management in this task. I am confident that the Internal Audit Plan for 2012-13 has the correct focus for this purpose, but it will of course need to remain flexible to meeting the ever changing risk environment.

Summary of Work 2011/12

Operational Audits are a detailed evaluation of a service or functions control environment. A risk evaluation matrix is devised and controls are tested; risks are assessed against the risk appetite agreed with the SWAP Management Board. Where weaknesses or areas for improvement are identified, actions are agreed with management, prioritised and target dated. Based on the findings of each review, an overall Control Assurance is offered.

Audits Completed – Operational

Operational Audits completed by SWAP for the Period April 2011 to March 2012 are summarised in the following table:

Audit Area	Audit Opinion	Audit Area	Audit Opinion
Property Services	▲★★★★ Reasonable	Income Collection	▲★☆☆ Partial
Asset Management	5% cuts (Deferred)	Whistle blowing and Money Laundry	▲★★★★ Reasonable
Section 106	▲★★★★ Reasonable	Risk Management	▲★☆☆ Partial
Electoral systems Management	Audit removed – replaced by Key Control Audit Work	Health Safety and Insurances	▲★★★★ Reasonable
Emergency Planning	▲★☆☆ Partial	Travel and expenses	▲★★★★ Reasonable
Grants	▲★★★★ Reasonable	Rent Deposit Scheme	▲★☆☆ Partial
Economic Development	▲★★★★ Reasonable	Income and Cashiers	▲★★★★ Reasonable
Legal Follow-Up	Non Opinion	Streetscene Follow-Up	Non Opinion
Waste Collection and Recycling	▲★☆☆ Partial	E - Procurement	5% cuts (Deferred)
Licensing	▲★★★★ Reasonable	Supporting People Follow-up	Non Opinion
VAT	▲★☆☆ Partial		

Overall the majority of completed audits received Reasonable Assurance (9 against 5 Partials). In all there were 116 level 3 actions and 14 level 4 actions from the Operational Audits competed (see Appendix C for Definitions). These have been assigned to responsible officers and target dates for completion have been agreed. In many instances the improved controls have already been implemented before the year-end.

Summary of Work 2011/12

Continued.....

Audits Completed – Operational Continued

At the last Audit Committee it was reported that the SWAP Board with representation from EDDC agreed a 5% cut in all Partners Audit Plans for 2011/12. As a result, in agreement with the Head of Finance the originally planned audits on Asset Management and on E-Procurement were removed from the 2011/12 plan. These 2 were chosen as Asset Management is in the 2012/13 Audit Plan and the E-Procurement project was delayed and was therefore better reviewed in 2012/13.

There were also changes in the audit plan in Qtr 4 as additional resources were required to complete the Key Control Reviews in Qtr3 than had been budgeted. Again these were agreed with the Head of Finance (S151 Officer).

It should be noted that there were a number of audits this year that found a large number of recommendations, most noticeably Risk Management which had 33 recommended actions and as such these required more time than was budgeted for. In these circumstances SWAP has not charged EDDC any more for this work. An element of the audit days planned for Electoral Systems Management, *Business Continuity and *Data Quality (* reported on Page 8 as Governance not Operational Reviews) has been used to complete reviews where a large number of findings needed agreed action upon. Again, we will ensure that Business Continuity and Data Quality are covered in reviews in 2012/13.

There were 3 follow-up audits; Legal, Streetscene and Supporting People, which are Non-Opinion but where we ensured that Significant Risks from a previous audit have now been addressed. The majority of controls have now been implemented.

Summary of Work 2011/12

Information Systems audits are completed to provide the Authority with assurance with regards to their compliance with industry best practice.

Information System Audits are conducted by specialised IT Auditors and are normally technical audits.

Audits Completed - Information Systems

Audit Area	Audit Opinion
Corporate Information Security Controls - Level 1	Non Compliant
Information Security and Regulatory Compliance - GovConnect	Compliant
Information Security and Regulatory Compliance - PCI DSS	Compliant

In May 2011 the CISC – Level 1 audit the auditor concluded that; ‘East Devon District Council is currently non-compliant with ISO 27001 Level 1 controls. Overall, the level of compliance was high, with the Council being one of the better Authorities when measuring compliance with the standard and there were several areas of good practice. However, a number of weaknesses were identified which may impact on the successful management of ICT risks and subsequently, compliance with ISO27001 standards.

Some of the key findings relate to business continuity arrangements and establishing assurance that backup processes are adequate and the organisation can continue to function in the event of a disaster or loss of network connectivity. It is understood that a number of initiatives are underway to enhance risk management within IT services, e.g. corporate recovery procedures.’

The Original Audit Plan had a further 2 IT Audits covering standards that the Council must comply with in order to conduct day to day business. Firstly, Government Connect (GovConnect) which is a broad set of information security controls with both technical and policy elements that are required by the Department of Work and Pensions (DWP) in order to access and process the details of benefits claimants. Secondly, The Payment Card Industry Data Security Standard (PCI DSS) which is a requirement imposed by the payment card industry to try and improve the security for consumers when making payments by credit or debit card. These 2 audits were combined and reported as one audit ‘Information Security and Regulatory Compliance.’

Summary of Work 2011/12

The Key Control Audit process focuses primarily on key risks relating to the Council's major financial systems. It is essential that all key controls identified by the External Auditors are operating effectively to provide management with the necessary assurance.

The findings from these reviews are considered by the External Auditors when they assess the Council's Financial Statements at year end.

Audits Completed — Key Controls, Finance

Key Control Audits completed by SWAP during the period April 2011 to March 2012 and previously reported to Committee are as follows:

Audit Area	Audit Opinion	Audit Area	Audit Opinion
Capital Accounting	▲ ★ ★ ★ Reasonable	Main Accounting	▲ ★ ★ ★ Reasonable
Council Tax & NNDR	▲ ★ ★ ★ Reasonable	Payroll	▲ ★ ★ ★ Reasonable
Creditors	▲ ★ ★ ★ Partial	Housing and Council Tax Benefit	▲ ★ ★ ★ Reasonable
Debtors	▲ ★ ★ ★ Reasonable	Treasury Management	▲ ★ ★ ★ Reasonable
Housing Rents	▲ ★ ★ ★ Reasonable		

In all there were 26 level 3 actions and only 1 level 4 action from the Key Control reviews (see Appendix C for Definitions). These have been assigned to responsible officers and target dates for completion have been agreed. It is likely that the External Auditors will focus on these findings when they carry out their work to sign off the Council's Accounts.

It was pleasing to find that the vast majority of key controls are operating effectively and there was an improved opinion for Main Accounting and Payroll from their 2010/11 audits. Now only Creditors requires reasonable assurance which has been impacted by the delay of the E-Procurement module and should improve in 2012/13.

Summary of Work 2011/12

The Governance, Fraud and Corruption Audit process focuses 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.

Summary of Work 2011/12

There were no reported Frauds that required investigation in 2011/12

Audits Completed — Governance and Fraud Themed Reviews

Audit Area	Opinion	Audit Area	Opinion
Partnership Arrangements	▲★☆☆ Partial	Threat of fraud and corruption - policy	▲★★★ Reasonable
Annual Governance Statement Review	Non Opinion	Register of Interests - Members	▲★★★ Reasonable
Contract Management – CSO’s	▲★☆☆ Partial	Bribery Act	▲★☆☆ Partial
Managing with Reduced Resources	Themed Audit In progress	Threat of fraud and corruption – analytical review	▲★★★ Reasonable
Business Continuity	Removed – replaced by Key Control Audits	Data quality	Removed – replaced by Key Control Audits

In all there were 37 level 3 actions and 13 level 4 actions from these reviews (see [Appendix C](#) for Definitions). These have been assigned to responsible officers and target dates for completion have been agreed

Audits Completed - Special Reviews

There were no special reviews undertaken during this period.

Performance:

The Head of Internal Audit Partnership reports performance on a regular basis to the SWAP Management and Partnership Boards.

A summary of all the Significant Risks identified during 2011/12 together with Managements responses are detailed in Appendix D.

SWAP Performance

The Original 2011/12 Annual Plan for East Devon District Council was approved by the Audit and Governance Committee in March 2011. There were a total of 43 reviews planned. It was necessary to remove 2 of these audits in order to meet the SWAP Management Board's approved 5% reduction, resulting from resource issues across the Partnership, not least the loss of our IT Audit Manager, who has now been successfully replaced. 3 audits were removed and replaced by time spent on Key Control work and additional time on Risk Management.

In total we will have completed 38 reviews. There were 3 Operational reviews and 1 Governance review which were non-opinion. The ICT audits undertaken related to 'Standards' and as such used a different assurance system; 1 IT audit was given a 'non compliant' opinion, and 2 were given a 'compliant' opinion.

For the remaining 31 audits where we are giving an audit opinion, we gave 20 'Reasonable Assurance' and 10 have been afforded a 'Partial Assurance'. There is 1 review awaiting an opinion as it is in progress at the time of this report; it is a themed review where the findings are compared to other Council's internal controls.

It should be noted that there were no fraud investigations or special reviews required in 2011/12 which is indicative of the control environment at East Devon.

At the close of each audit review a Customer Satisfaction Questionnaire is sent out to the Service Manager or nominated officer. The aim of the questionnaires is to gauge satisfaction against timeliness, quality and professionalism. As part of the Balanced Scorecard presented to the SWAP Boards, a target of 85% is set where 75% would represent good. The latest Scorecard for the Partnership shows the current average feedback score to be 84%. For East Devon the average feedback score was 79%.

	Audit Type	Audit Name	Quarter	Status	Opinion	No. of recs	5= Major 1=Minor				
							Recommendations				
							5	4	3	2	1
1	Operational	Property Services	April 2011	Complete	Reasonable	6	0	1	4	1	0
2	Operational	Emergency Planning	April 2011	Complete	Partial	14	0	3	8	3	0
3	Operational	Section 106 Agreements	April 2011	Complete	Reasonable	5	0	1	4	0	0
4	Operational	Grants	April 2011	Complete	Reasonable	1	0	0	0	1	0
5	Operational	Income	April 2011	Complete	Partial	18	0	0	14	4	0
6	Operational	Whistleblowing and Money Laundering	July 2011	Complete	Reasonable	9	0	0	3	6	0
7	Operational	Risk Management	July 2011	Complete	Partial	33	0	2	27	4	0
8	Operational	Health Safety and Insurances	July 2011	Complete	Reasonable	10	0	0	9	1	0
9	Operational	Economic Development	July 2011	Complete	Reasonable	9	0	0	7	2	0
10	Operational	Streetscene	July 2011	Complete	Partial	15	0	4	5	6	0
11	Operational	Travel and Expenses	July 2011	Complete	Reasonable	5	0	0	3	2	0
12	Operational	Income and Cashiers	January 2012	Complete	Reasonable	9	0	0	6	3	0
13	Operational	Licensing	October 2011	Complete	Reasonable	5	0	0	4	1	0
14	Operational	Rent Deposit Scheme	November 2011	Complete	Partial	17	0	3	14	0	0
15	Operational	Electoral Systems Management	January 2012	Removed		0	0	0	0	0	0
16	Operational	Procurement	January 2012	Deferred		0	0	0	0	0	0
17	Operational	Asset Management	January 2012	Deferred		0	0	0	0	0	0
39	Operational	VAT	January 2012	Complete	Partial	10	0	0	8	2	0
18	Follow Up	Legal Follow Up	April 2011	Complete	Non Opinion	0	0	0	0	0	0
19	Follow Up	Streetscene Follow Up	April 2011	Complete	Non Opinion	0	0	0	0	0	0
20	Follow Up	Supporting People Follow Up	April 2011	Complete	Non Opinion	0	0	0	0	0	0
21	ICT	Corporate Information Security Controls	April 2011	Complete	Non Compliant	23	0	3	14	5	1
22	ICT	Information Security Regulatory Compliance - PCI	October 2011	Complete	Compliant	1	0	1	0	0	0
23	ICT	Information Security Regulatory Compliance - Gov Connect	October 2011	Complete	Compliant	8	0	0	7	1	0
24	Governance, Fraud & Corruption	Partnership Arrangements	April 2011	Complete	Partial	12	0	7	5	0	0
25	Governance, Fraud & Corruption	Annual Governance Statement	July 2011	Complete	Non Opinion	0	0	0	0	0	0
26	Governance, Fraud & Corruption	Contract Management - Monitoring Compliance with Contract Standing Orders	April 2011	Complete	Partial	14	0	6	6	2	0
27	Governance, Fraud & Corruption	Threat from Fraud and Corruption (Policy Review)	July 2011	Complete	Reasonable	8	0	0	8	0	0
28	Governance, Fraud & Corruption	Register of Interests - Related Party Transactions	July 2011	Complete	Reasonable	3	0	0	3	0	0
29	Governance, Fraud & Corruption	Bribery Act	June 2011	Complete	Partial	12	0	0	12	0	0
30	Governance, Fraud & Corruption	Managing with Reduced Resources	January 2012	In Progress		0	0	0	0	0	0
31	Governance, Fraud & Corruption	Threat of Fraud & Corruption - Analytical Review	August 2011	Complete	Reasonable	3	0	0	3	0	0
32	Governance, Fraud & Corruption	Business Continuity	January 2012	Removed		0	0	0	0	0	0
33	Governance, Fraud & Corruption	Data Quality	January 2012	Removed		0	0	0	0	0	0
34	Key Control	Capital Accounting	October 2011	Complete	Reasonable	2	0	0	2	0	0
35	Key Control	Creditors	October 2011	Complete	Partial	4	0	0	4	0	0
36	Key Control	Debtors Key Controls	October 2011	Complete	Reasonable	6	0	0	5	1	0
37	Key Control	Main Accounting	October 2011	Complete	Reasonable	4	0	0	3	1	0
38	Key Control	Payroll Key Controls	October 2011	Complete	Reasonable	3	0	0	1	2	0
40	Key Control	Council Tax/NNDR	October 2011	Complete	Reasonable	8	0	0	3	5	0
41	Key Control	Housing & Council Tax Benefits	October 2011	Complete	Reasonable	6	0	1	3	2	0
42	Key Control	Housing Rents	November 2011	Complete	Reasonable	6	0	0	4	2	0
43	Key Control	Treasury Management	October 2011	Complete	Reasonable	5	0	0	1	4	0
						294	0	32	200	61	1

Audit Framework Definitions

Control Assurance Definitions

Comprehensive	▲ ★★★	I am able to offer comprehensive 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.
Reasonable	▲ ★★	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.
Partial	▲ ★★	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.
None	▲ ★★	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 unit's 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 Risk

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

Report Date	Weakness Found	Risk Identified	Recommended Action	Management's Agreed Action	Responsible Officer	Agreed Date
Risk Management						
10/01/2012	The risk management process has not been fully embedded	There is a risk to the Council that the Risk Management policy does not accurately reflect the Council's strategic and operational objectives if policies and guidance are not subject to a regular review. Officers are unlikely to be following good practice in risk management and risk management will not be embedded within the Council if there is no clear policy and managerial guidance to follow.	I recommend the Head of Finance ensures that the Risk Management policy and any linking managerial guidance documents are reviewed at least every two years.	Agreed - The Risk Policy has been reviewed and updated by the Management Information Officer. To be presented to the Audit and Governance Committee in January 2012 The next review date will be Oct/Nov 2013	Head of Finance	Jan-12
10/01/2012	Senior officers and Council members have had limited training on Risk Management.	There is a course on the corporate training programme on risk management. During the time of the audit I was unable to get the total number of officers who have agreed to attend the course.	I recommend the Heads of Service ensure that all relevant staff in their area attends the forthcoming training course on Risk Management.	Risk Management Training is an Essential/Mandatory course for all managers at EDDC. Each Service has undertaken a Risk Awareness session at the start of each Service Planning day. SPAR Refresher Training to be offered to all SPAR users including risk owners in Jan / Feb 2012. Risk will be included as one of the topics within the training.	Heads of Service / Management Information Officer	Mar-12
10/01/2012	There are operational risks that have not been formally identified and recorded on the current Risk Register.	There is a risk to the Council that there are significant operational risks which are still not being appropriately managed as part of the revised Risk Management strategy	I recommend that each Head of Service ensures that all relevant risks that they are responsible for are being identified and recorded in the risk register.	The 1st Bi-annual review of risk has been undertaken which gave Heads of Service an opportunity to update current risks and add any new and emerging risks. All Heads of Service are also undertaking their service planning days through November again providing them with a formal opportunity to update their risk register.	Heads of Service	Dec-11
Information Security Regulatory Compliance						
02/03/2012	The Council could lose the ability to process card payments	There is a risk that without undertaking PCI DSS accreditation, the Council will continue to pay fines and could potentially lose the ability to process card payments if a serious breach were to occur.	I recommend the Head of ICT completes and submits the PCI DSS self assessment.	Agreed	Paul Bacon	Jun-12
Partnership Arrangements						
01/02/2012	The Council's definition of a partnership does not allow all partnerships to be captured.	Although the partnership policy defines what is and what is not a partnership the current definition does not include existing 'partnership' arrangements that the Council has with Leisure Trust and the South West Audit Partnership as these fall under formal contracts set out for providing goods or a service. By excluding all bodies under a formal contract, there is a risk that the Council are not including actual 'represented' bodies which are being influenced or governed by a shared board or representatives.	I recommend that The Management Information Officer reviews and includes a revised definition of a 'partnership' within the revised Partnership Policy.	Complete - Definition agreed, and inserted into the revised copy of the Partnership Policy (see section 4.2 - Policy subject to SMT approval	Management Information Officer	Complete
01/02/2012	There is no detailed corporate guidance in place about how to manage partnerships.	Without corporate guidance there is a risk of inconsistent practices taking place, which either only partly or do not cover key areas.	I recommend that The Management Information Officer updates and includes a process for identifying and reviewing Partnerships in the revised Partnership Policy.	Process for identifying and reviewing Partnerships has been updated and included in the revised Partnership Policy. (See section 4.2 - 4.5) Guidance for entering into SPAR also to be updated and linked to the Policy subject to SMT approval	Management Information Officer	Dec-11
01/02/2012	There is not a sufficient partnership checklist in place.	Without a comprehensive checklist there is a risk all key areas will not be considered.	I recommend that the Management Information Officer creates a checklist for assessing and reviewing the ongoing suitability of each partnership.	Complete - The revised Partnership Policy contains a checklist for assessing and reviewing the ongoing suitability of each partnership. (See section 4.2, 4.3 and Appendix A) Flowchart of the EDDC Partnership Process is included within the revised Partnership Policy. (See section 4.1) Policy subject to SMT approval	Management Information Officer	Complete
01/02/2012	There is no formal method for classifying partnerships.	If the Council does not have a methodology for classifying partnerships, whether they are significant or not is open to debate. There is a further risk the level of governance, financial arrangements, performance management and resource will be disproportionate for the significance of the partnership.	I recommend that the Management Information Officer includes a methodology for classifying Partnerships in the revised Partnership Policy.	Complete - Methodology agreed, included in the revised copy of the partnership policy (see section 4.2 - Policy subject to SMT approval)	Management Information Officer	Feb-12

01/02/2012	There is no review framework in place to monitor the effectiveness of existing Partnerships	If a framework for reviewing partnerships is not developed which, allows for an annual review, there is a risk value for money might not be achieved and the Council continues to engage in a partnership that is not efficiently delivering a service in line with its aims and objectives.	The Management Information Officer has included a checklist for assessing and reviewing the ongoing suitability of each partnership within the Partnership policy.	Complete - The revised Partnership Policy contains a checklist for assessing and reviewing the ongoing suitability of each partnership. (See section 4.2, 4.3 and Appendix A) Flowchart of the EDDC Partnership Process is included within the revised Partnership Policy. (See section 4.1) Policy subject to SMT approval	Management Information Officer	Complete
01/02/2012	An independent review of all partnerships had not recently taken place.	Without an independent review by members there is a risk reduced assurance partnerships are contributing towards the Council's aims and objectives.	I recommend that the Management Information Officer includes a section within the Partnership policy detailing how Partnerships will be reviewed.	Complete - The Audit and Governance Committee will be reviewing the Partnership Register annually as set out in the new Partnership Policy. (See section 4.5 - Policy subject to SMT approval)	Audit & Governance Committee	Complete
01/02/2012	Partnership risk registers were not being retained across the individual services	If the responsible officers for each partnership do not maintain a risk register and feed these into the service and corporate risk registers, there is reduced assurance those risks which may affect the Council will be identified.	I recommend that the Management Information Officer provides additional information to SMT to help them decide whether Council should record Partnerships within the SPAR.net system.	If the SPAR.net system is used then Partnerships could be linked directly to any Operational or Strategic Risks or Key Service Objectives on the system. Screen shot of how this will look will be provided to SMT for agreement.	Management Information Officer	Complete
Contract Management						
21/07/2011	The current Contract Standing Orders are not being adopted by some officers of the Council who are either responsible for setting up or reviewing contracts.	There is a risk to the Council if there is no clear document in place to help managers with the management of contracts.	I recommend the Procurement Officer considers the examples of Contract Standing Order documents identified by SWAP as part of their review of the Contract Standing Order document.	We agreed that there is a need for an updated document and began work on a re-draft some months ago. Current document is mostly consistent with CIPFA example, as used by other Devon Districts. When completing our revision, the examples provided by SWAP will be considered but the addition of the legislative changes implemented since their publication.	Procurement Officer	Complete
21/07/2011	Contractual agreements have been set up without the use of a 'contract' and do not comply with the Contract Standing Orders.	There is a risk that services are not aware of the duration of a contract if this is not documented.	I recommend the Procurement Officer does a review of all contracts set up on the Contracts Register which do not have a formal end date to ensure that they are not due a re-tender exercise.	Agreed. The review will be held in conjunction with the establishment of the new Contracts Register.	Procurement Officer	Complete
21/07/2011	The Contracts Register is not being shared across the Council and does not contain data on who is responsible for setting up or reviewing each contract. There are also a high number of contracts which do not have a contract end date recorded.	Out of 208 contracts there are 144 contracts recorded on the Register which have not got a contract duration recorded (55 of those are under the Housing department). Some of the contracts recorded maybe considered outside of the definition of a contract, however there is a risk that services are not aware of the duration of a contract if this is not documented.	I recommend the Procurement Officer ensures that a complete list of contracts is recorded which will include the completion of the following data; <ul style="list-style-type: none"> Name of Officer responsible for setting up the contract. Name of Officer responsible for reviewing the contract. The start and completion date of the Contract. Review date. 	We will be implementing a Contracts Register using a template supplied by Due North to many authorities. This is more comprehensive than our current version (itself developed from other authority examples) and is in line with central government requirements.	Procurement Officer	Complete
21/07/2011	There is currently no central framework in place to review existing contracts.	There is a risk that contractors are not complying with the contractual agreement if there is no formal approach to review existing contracts.	I recommend the Procurement Officer introduces a contracts review framework that responsible officers can follow when reviewing existing contract arrangements. This should also include reporting at Committee level on an annual basis. There should be consideration on the following areas as suggested by the OIC; Risk Management; Issue Management; Claims Management and Change Control Management.	The review and performance management/development of our suppliers is seen as a key to operating efficient services and ensuring Value for Money. Although paragraphs 1.106 to 1.108 specify the requirement for the reviewing of all contracts by responsible officers, it is apparent that this process needs to be made clearer. This will be monitored more readily with our move into electronic procurement and the revised Contracts Register.	Procurement Officer	Complete
21/07/2011	Original contracts and supporting evidence are not currently being held by either the service or by the legal department for the majority of contracts tested in this audit.	There is a risk to the Council that they are not receiving either value for money or a good quality of service from a contractor if contracts are not subject to a tendering process or regular review.	I recommend the Procurement Officer adopts a similar approach to Brentwood Council on retaining records of contracts. This should include the following; <ul style="list-style-type: none"> Officers must keep records to show a clearly documented audit trail. (There should also be a clear breakdown of what documents are required depending upon the value of the contract ;) Procurement services role to ensure all new contracts are logged onto the Contract Register Original contracts and all documentation relating to a contract must be kept in the contract file which is to be located in the Procurement Office 	It is agreed that officers must keep clear appropriate records. Although this section of Contract Standing Orders is comprehensive in its statement of requirements, it must be followed. The Contracts Register review will be include the ownership of updating with new contracts. Procurement and Legal Services to agree on an appropriate process relating to contract files. The eventual introduction of electronic tendering will in any case facilitate the efficient retrieval and viewing of documentation (and provide audit trail)	Procurement Officer and Senior Solicitor	Feb-12
Emergency Planning						
31/05/2011	There is a lack of documented procedures in place to help support the management of an emergency.	Until an agreed Emergency Plan is completed and available, there is a risk that knowledge held by the Emergency Planning Officer could be unavailable in the event of an emergency.	I recommend that: <ul style="list-style-type: none"> Following completion of the revised Emergency Plan, a formal schedule of review and update by the Emergency Planning Officer should be implemented The revised Emergency Plan should be formally approved by Committee as soon as is practicable. The Emergency Contacts Database should be updated as soon as possible by the Emergency Planning Officer, identifying relevant officers, their training needs and resources such as procedures and equipment. The Emergency Planning Officer should ensure that the Emergency Plan, associated plans and databases should be made available on the intranet, with appropriate Citrix access to relevant officers. Encrypted data sticks should be used where intranet access is not available, with appropriate procedures for updating them regularly. 	Annual revoew of plan envisaged. ICT will be contacted to discuss feasibility.	Emergency Planning Officer	Jul-12 Jul-11 Sep-11 Jun-11

			<ul style="list-style-type: none"> The Emergency Planning Officer should ensure that training should take place for all relevant officers named on the contacts list which includes access and distribution of the Emergency Plan, as well as their role in an emergency situation The revision of the emergency plan includes all statutory responsibilities. Formal deputising arrangements are put in place in the event that the Emergency Planning Officer is not available, which includes immediate access to the Emergency Contacts Database. 			Sep-11 Jul-11 Jul-11
31/05/2011	There is a lack of designated responsibility for Emergency Planning.	There is a risk that the role of Emergency Planning Officer (Civil Contingencies Manager) will be interpreted differently to that intended by the Council and performance may not meet EDDC's requirements or expectations.	<p>I recommend that:</p> <ul style="list-style-type: none"> A job description or contract which sets out the nature and extent of responsibilities (including objectives and targets) be put in place for the role of Emergency Planning Officer by the Head of Environment. The job title be standardised across all documents by the Emergency Planning Officer. The Head of Environment should consider allocating the budget to completion of tasks such as finalisation of the Emergency plan, rather than number of days spent. The Head of Environment should consider whether an Exemption to Contract Standing Orders is appropriate for the appointment of the Emergency Planning Officer. 	Job title to be standardised as Civil Contingencies Manager.	Head Of Environment Emergency Planning Officer Head of Environment Head of Environment	Aug-11 Jul-11 Aug-11 Aug-11
Rent Deposit Scheme						
21/02/2012	There has been no review carried out to look at the effectiveness of the rent deposit scheme.	There is a risk that the needs of successful applicants are not being met post application stage which may lead to further financial and housing support being needed. There is also a risk that the Rent Deposit Scheme may not be best utilised if it is awarded to the same Applicant repeatedly.	I recommend the Head of Housing introduces performance monitoring to evaluate how effective the Rent deposit scheme has been in preventing homelessness both in the short and long term	Agreed.	Head of Housing	Apr-12
21/02/2012	The Rent Deposit agreement form has not been subject to any periodic review and no changes have been made to the document since it was introduced 5 years ago.	There is a risk that the current Rent Deposit agreement terms do not reflect Council practice and may not have been approved by Legal.	I recommend that the Housing Options Manager ensures that the current rent deposit loan agreement is in accordance with their practices and is reviewed by the Legal team so ensure compliance with the law and Council practice.	Agreed. If it has not already been checked I will check with Legal to see if they are happy with the agreement.	Housing Options Manager	Jun-12
21/02/2012	The Housing Options Manager confirmed that Bond Agreements are better financially for the Council than a rent deposit as it reduces the amount of money being provided to the applicant. However, not all letting agencies and landlords will agree to the terms and conditions of the Bond scheme.	There is a risk that the Council are at greater risk of financial losses through not using Bonds instead of Deposit loans.	I recommend the Housing Options Manager looks to increase the take-up of Bond Agreements and investigates options such as providing further incentives for Landlords and Letting Agencies.	Agreed. Need to be more assertive in promoting the bond and discuss with landlords to see how it can be improved for them.	Housing Options Manager	Jun-12
Streetscene- Waste Collection and Recycling						
09/11/2011	There is no Business Continuity Plan which addresses key risks in delivering the service.	There is a risk that the service will cease to function in the event of an emergency/unexpected circumstances impacting upon the reputation and finances of EDDC.	I recommend that as per the contract a Contingency Plan is agreed between the Waste and Recycling Manager and SITA and presented to the Refuse and Recycling Manager for approval.	To be discussed with Sita drawn up, finalised and reported to Waste & Recycling Partnership Board.	Waste and Recycling Manager	Mar-12
09/11/2011	The ability to cover for the absence of the Waste and Recycling Manager is currently limited.	There is a risk to the service in that there is currently no EDDC employee qualified to take over management responsibilities in the absence of the Waste and Recycling Manager who is currently employed on a consultant basis.	I recommend that the Head of Environment considers the appointment of an Assistant Waste Manager or alternatively considers an increase in the responsibilities of the Waste Management Officers to ensure that business would continue uninterrupted in the event of the absence of the Waste and Recycling Manager.	Due to changes in the management structure this is to be discussed with the Street Scene Manager with report to the Waste & Recycling Partnership Board.	Street Scene Manager/Waste and Recycling Manager / Waste & Recycling Partnership Board.	Apr-12
09/11/2011	There is no reconciliation of recyclable material collected to that disposed of.	This leaves a risk in place that recyclable materials may be lost in the process between collection from the householder and disposal through the recycler. An operational solution to resolving this weakness remains outstanding.	I recommend that the Refuse and Recycling Partnership Board give further consideration to a possible solution to an accounting system for recycling material.	Consider present system – felt unlikely to improve present position as individual materials are in small quantities in collection vehicles.	Waste and Recycling Manager.	Dec-11
09/11/2011	The suspension of the application of the original contract performance monitoring regime has not led to the agreement of a new performance monitoring structure.	There is a risk that value for money is not being achieved as no benchmarking is undertaken to confirm this.	I recommend that the Waste and Recycling Manager and the Refuse and Recycling Partnership Board agrees a set timescale for the formalisation of the current performance monitoring and reporting arrangements and the agreement of a range of Key Performance Indicators (KPI's) to create a structured performance monitoring framework to ensure that performance monitoring will continue in the event of a change in post holder.	Investigate suitable options, draw up documentation and refer to Waste & Recycling Partnership Board.	Waste and Recycling Manager/Sita/Waste & Recycling Partnership Board.	Apr-12
Income Collection						
25/07/2011	There were no 'high' or 'very high' significant findings in this report					
Creditors						
02/02/2012	There were no 'high' or 'very high' significant findings in this report					
VAT						
16/05/2012	There were no 'high' or 'very high' significant findings in this report					
Bribery Act						
13/02/2012	There were no 'high' or 'very high' significant findings in this report					

Agenda Item 10

Audit and Corporate Governance Committee

28 June 2012



Audit and Corporate Governance Committee Forward Plan 2012/13

Date of Committee	Report	Lead Officer
27 September 2012	<ul style="list-style-type: none">• Internal Audit Activity – Quarter 1 2012/13• Statement of Accounts• Report to those charged with Governance	SWAP Head of Finance Grant Thornton
8 November 2012	<ul style="list-style-type: none">• Internal Audit Activity – Quarter 2 2012/13	SWAP
17 January 2013	<ul style="list-style-type: none">• Annual Audit Letter• Certification Report• Internal Audit Activity – Quarter 3 2012/13	Grant Thornton Grant Thornton SWAP
14 March 2013	<ul style="list-style-type: none">• Annual Audit Plan 2012/13	SWAP