

# Agenda for Audit and Governance Committee

## Thursday, 20 November 2014; 2.30pm

[Members of the Committee](#)

**Venue:** Council Chamber, Knowle, Sidmouth, EX10 8HL

[View directions](#)

**Contact:** [Chris Lane](#), 01395 517544 (or group number 01395 517546): Issued 11 November 2014



East Devon District Council  
Knowle  
Sidmouth  
Devon  
EX10 8HL

DX 48705 Sidmouth

Tel: 01395 516551

Fax: 01395 517507

[www.eastdevon.gov.uk](http://www.eastdevon.gov.uk)

- 1 [Public speaking](#)
- 2 Minutes for 25 September 2014 (page 3-7)
- 3 Apologies
- 4 [Declarations of interest](#)
- 5 [Matters of urgency](#) – none identified
- 6 To agree any items to be dealt with after the public (including press) have been excluded. There are no items that officers recommend should be dealt with in this way.

### Part A Matters for Decision

- 7 **Audit Committee Update Grant Thornton** (pages 8- 20)
- 8 **Annual Audit Letter – Grant Thornton** (pages 21-27 )
- 9 **Risk Management Review - Management Information Officer**(pages 28-66)  
Appendix – risk policy.
- 10 **Office Relocation Project Update – SWAP** (Verbal report)
- 11 **Medium Term Financial Plan** – Presentation by Strategic Lead - Finance
- 12 **Housing Land Supply Update** – Planning Policy Officer (pages 67-70)
- 13 **Thelma Hulbert Gallery** – Countryside & Leisure Manager (Verbal report)
- 14 **Audit and Governance Forward Plan** – Head of Finance (Page 71)

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#### [Decision making and equalities](#)

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## **Minutes of a Meeting of the Audit & Governance Committee held at Knowle, Sidmouth on 25 September 2014**

### **Attendance list at end of document**

The meeting started at 2.30pm and ended at 4.30pm.

**\*14 Appointment of Vice Chairman**

In the absence of the Vice Chairman, Councillor Tony Howard was appointed Vice Chairman for the meeting.

**\*15 Public Speaking**

There was no public speaking.

**\*16 Minutes**

The minutes of the Audit and Governance Committee meeting held on 26 June 2014 were confirmed and signed as a true record.

**\*17 Declarations**

No declarations were stated.

**\*18 Statement of Accounts 2013/14**

The Head of Finance advised the Committee that the Council's Statement of Accounts for 2013/14 had now been audited and were circulated to Members for their approval.

Following the audit some presentation changes had been made to the accounts and minor changes made, these adjustment did not affect the Council's reported financial position.

The Committee considered the report of the Head of Finance which compared the final position of the Council's accounts with the position presented to Members in the Outturn report in June 2014.

**a) Financial Statements**

The Audit and Governance Committee had delegated responsibility to approve the Statement of Accounts. The Financial Services Manager outlined the detail of the Accounts and highlighted key financial points. Councillor Steve Gazzard raised the issue of Council spending on consultants, which was not specifically referred to in the Statement of Accounts. Simon Davey, Head of Finance, agreed to forward details of this spending to Councillor Gazzard.

**b) Annual Governance Statement**

The Council was required to approve an Annual Governance Statement to accompany the Statement of Accounts. The report detailed the processes in place within the Council's governance framework and in compliance with its adopted Code of Corporate Governance. The Statement included a number of improvements made in governance arrangements, including further staff training on Contract Standing Orders, improved assessment of key financial controls and differing formats of the Risk Register. Also the external report from Grant Thornton had shown a good and improving position for the Council, staff had been reminded of the key content in governance policies and preparation of the Governance Statement itself had involvement from the Chair of Audit & Governance.

**\*18 Statement of Accounts 2013/14 (Cont)**

The Committee noted that the review had identified an area where action was appropriate to enhance the governance and internal control environment to ensure continuous improvement. The area for improvement was: the risk of the Council not having processes in place to regularly monitor a 5 year land supply for strategic planning purposes

**c) Letter of Representation**

Members were asked to endorse the letter to Grant Thornton in respect of the audit of the Financial Statements for the year ended 31 March 2014 confirming the Council's position, documents produced and the sound processes in place.

**d) Report to those charged with Governance**

Barrie Morris, Grant Thornton, presented the Council's external audit report, which highlighted key issues arising from the Council's financial statements for the year ending 31 March 2014. This set out the adjustments and corrections made to the Council's accounts as a result of the audit and a proposed plan of recommendations for further improvement.

Grant Thornton, based on their work and having regard to the specified criteria published by the Audit Commission, had concluded that the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2014. Two recommendations were made to improve the internal controls in place regarding, the improper revenue recognition and management override of controls.

**e) Certification work plan for EDDC**

Barrie Morris, Grant Thornton, presented the Council's Certification work plan. He reported that the only claims that required certification work at EDDC for 2013/14 were the Housing Benefit Subsidy claim and the Pooling of Housing Receipts return.

**RESOLVED:** that the 2013/14 Statement of Accounts be approved.

(Councillor Steve Gazzard asked to have his abstention on voting on the Statement of Accounts recorded)

**\*19 Internal Audit Plan – Half Yearly update 2014/15**

The report of the Audit Manager, (SWAP) provided the outturn position for the Internal Audit Plan at the end of September 2014. This was an update for quarters 1 and 2.

A list of audits planned for 2014/15 and their status at the end of quarter 2 were noted.

**RESOLVED:** that the Internal Audit Progress report be noted.

**\*20 High Risk Review 2014/15 – bi-annual report**

Members considered the report of the Management Information Officer; the Committee monitored high strategic and operational risks outside the bi-annual reporting. This followed a review of risks focusing on high risks by responsible officers to the end of August 2014.

**\*20 High Risk Review 204/15 – bi-annual report (Cont)**

Risks that were scored high on the risk register were:

- 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;
- 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;
- Potential move to an ICT shared service may disrupt the service.

A member raised the risk to the Safeguarding Children Policy when John Golding, Head of Housing & Communities was absent. Members noted that other staff within the Housing Service dealt with this issue and also that there was currently senior management restructure in place that was looking to appoint an additional manager within the Housing Service.

**RESOLVED:** that the Committee noted the current status of high risks until 30 September 2014, when a full risk review will be undertaken and reported to the following Committee.

**\*21 Risk Management Policy Review 2014**

The Committee considered the Risk Management Policy and Guidance which had been updated following its three yearly review and required approval by the Committee. A member asked to what extent did all staff have an understanding of the Risk Management Policy? Joanne Avery, Management Information Officer, reported that it was a mandatory requirement for all managers to have an understanding of this policy. Members wished to emphasis the importance of mandatory management training that training on the risk management policy.

**RESOLVED:** that the updated Risk Management Policy and Guidance be approved.

**22 Enhancement and planning policy monitoring systems (5-year land supply)**

The Committee consider the report of the Planning Policy Manager, which updated Members of progress towards improvements to monitoring systems. Since the meeting of the Audit and Governance Committee on 26 June 2014 (minutes \*12 refers):

- Officers had met to discuss introducing more proactive monitoring systems and requirements to make them work;
- A report had been drafted with Building Control and ICT to request improvements to the existing uniform system to enable more automated monitoring, thereby freeing up officer time to proactively engage with the developers of larger sites to understand their delivery timescales and potential blocks to delivery; and
- Discussions had been held to better understand the system of monitoring employed by Teignbridge District Council and what we might be able to do to follow a similar route;
- A bid had been made for Government funding for a new Development Enabling and Monitoring Officer post who would be tasked with acting as the Council's lead on development viability issues, liaising with developers to try to unlock development sites and monitoring developers' progress with implementation of permissions when granted by keeping in regular contact with developers and working with them to

## 22 Enhancement and planning policy monitoring systems (5-year land supply) (Cont)

identify and assist in removing obstacles to delivery. In undertaking these roles the post could fulfil both a reactive and proactive role.

During discussion the following points were noted:

- no timetable for enhancement of planning monitoring systems had been provided;
- the monitoring officer post was not in the recommendation;
- how well was EDDC engaged with Teignbridge District Council who had a five year land supply?
- Teignbridge District Council were more able to be proactive as they had a better staffing resource to undertake the work;
- when would EDDC have a five year land supply in place?
- EDDC needed to make having a 5 year land supply a priority as not having it posed a significant risk to its reputation and needed to appoint a member of staff to help achieve this;
- a new managers position was in the process of being appointed to address the issue of strategic objectives not being met;
- there should be a more proactive approach undertaken, including joint working with other local authorities;
- there were very good ICT links with Teignbridge DC who used the same systems as this Council;
- if external Government funding for the post to monitor the 5 year land supply was not obtained then the Council should fund this position from its own funds;
- strategic planning issues should be discussed at the November meeting of the Committee.

**RECOMMENDED:** that progress to date in achieving the objectives set out by the Committee be noted; a further report to the November Committee was required to demonstrate sufficient progress to the Committee in order to remove the high risk related to the 5 year land supply, in particular to address the question of where best planning policy and significant associated decisions were made and evidence that appropriate resources were in place to deliver the objectives or how resources would be obtained.

## \*23 ICT implementation (Strata)

Members received the report to Cabinet on 1 October 2014 of Chris Powell, Corporate ICT Manager, the purpose of which was to set up a structure for the governance and scrutiny of Strata as follows:

- a) A Joint Executive Committee (JEC) to govern Strata; and
- b) A Joint Scrutiny Committee (JSC) to scrutinise Strata.

The reason for consideration by this Committee was the need Governance arrangements. The proposed 'go-live' date for Strata was 1 November 2014, when all staff would be transferred to the new organisation.

**RESOLVED:** that the report be noted.

**\*24 Audit and Governance Forward Plan**

The Committee noted the contents of the Forward Plan for 2014/15, which was updated during the meeting.

Items to be considered at the November Committee included:

- Office relocation project update
- Audit Committee update
- Annual audit letter
- Thelma Hulbert Gallery update
- Risk Management Review
- Five year land supply

**RESOLVED:** that the updated Forward Plan be noted.

**Attendance list**

**Present:**

Ken Potter (Chairman)

Steve Gazzard

Steve Hall

Tony Howard

Chris Lane, Democratic Services Officer

Simon Davey, Head of Finance

Chris Powell, Corporate ICT Officer

Laurelie Gifford, Financial Services Manager

Richard Cohen, Deputy Chief Executive

Matt Dickins, Policy Manager

Joanne Avery, Management Information Officer

Andrew Ellins, Audit Manager, South West Audit Partnership (SWAP)

Barrie Morris, Public Sector Assurance Director, Grant Thornton

Ashley Allen, Senior Audit Manager, Grant Thornton

Katie Haines, Associate Manager, Grant Thornton

David Cox

**Apologies:**

Roger Boote

Peter Bowden

Bob Buxton

Geoff Pook

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

# Audit and Governance Committee Update for East Devon District Council

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**Year ended 31 March 2014**

23 October 2014

**Barrie Morris**

Director

T 0117 305 7708

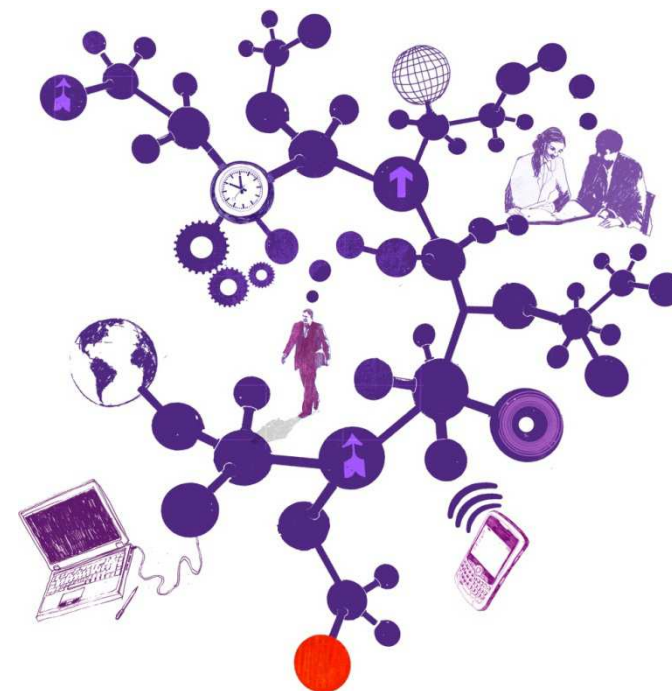
E [barrie.morris@uk.gt.com](mailto:barrie.morris@uk.gt.com)

**Ashley J Allen**

Manager

T 0117 305 7629

E [ashley.j.allen@uk.gt.com](mailto:ashley.j.allen@uk.gt.com)





The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Introduction

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

- a summary of emerging national issues and developments that may be relevant to you; and
- a number of challenge questions in respect of these emerging issues which the Committee may wish to consider.

Members of the Audit and Governance Committee can find further useful material on our website [www.grant-thornton.co.uk](http://www.grant-thornton.co.uk), where we have a section dedicated to our work in the public sector (<http://www.grant-thornton.co.uk/en/Services/Public-Sector/>). Here you can download copies of our publications including:

- Working in tandem, local government governance review 2014, our third annual review, assessing local authority governance, highlighting areas for improvement and posing questions to help assess the strength of current arrangements
- 2016 tipping point? Challenging the current, summary findings from our third year of financial health checks of English local authorities
- Local Government Pension Schemes Governance Review, a review of current practice, best case examples and useful questions to assess governance strengths
- Responding to the challenge – Alternative Delivery Models in Local Government

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

**Barrie Morris** Engagement Lead **T:** 0117 305 7708 **M:** 07771 976684 **E:** [barrie.morris@uk.gt.com](mailto:barrie.morris@uk.gt.com)  
**Ashley J Allen** Audit Manager **T:** 0117 305 7629 **M:** 07775 705341 **E:** [ashley.j.allen@uk.gt.com](mailto:ashley.j.allen@uk.gt.com)

## Progress at 23 October 2014

Work	Planned date	Complete?	Comments
<b>2013-14 Accounts Audit Plan</b> We are required to issue a detailed accounts audit plan to the Council setting out our proposed approach in order to give an opinion on the Council's 2013-14 financial statements.	March 2014	Yes	The audit plan was a separate item on the Audit and Governance Committee agenda on 13 March 2014.
<b>Interim accounts audit</b> Our interim fieldwork visit includes: <ul style="list-style-type: none"> <li>• updating our review of the Council's control environment;</li> <li>• updating our understanding of financial systems;</li> <li>• review of Internal Audit reports on core financial systems;</li> <li>• early work on emerging accounting issues;</li> <li>• early substantive testing; and</li> <li>• initial risk assessment to support the Value for Money conclusion.</li> </ul>	March 2014	Yes	Our interim audit work has been completed and we summarised the findings in the audit plan referred to above.
<b>2013-14 final accounts audit</b> Including: <ul style="list-style-type: none"> <li>• audit of the 2013-14 financial statements;</li> <li>• proposed opinion on the Council's accounts; and</li> <li>• proposed Value for Money conclusion.</li> </ul>	July – September 2014	Yes	We completed the audit of the accounts and gave unqualified opinion on the Council's accounts as well as Value for Money conclusion. We discussed our audit findings report as a separate item at the Audit and Governance Committee meeting on 25 September 2014.

## Progress at 23 October 2014 (continued)

Work	Planned date	Complete?	Comments
<b>Value for Money (VfM) conclusion</b> The scope of our work to inform the 2013/14 VfM conclusion comprises: <ul style="list-style-type: none"> <li>• a review of securing financial resilience;</li> <li>• a review of arrangements for securing economy, efficiency and effectiveness; and</li> <li>• a follow up of recommendations made last year.</li> </ul>	July – September 2014	Yes	Unqualified opinion was provided to the Council and our audit findings report discussed above included details about our conclusion.
<b>2013-14 Certification work</b> The claims and returns we are certifying this year are: <ul style="list-style-type: none"> <li>• housing benefits scheme claim; and</li> <li>• pooling of housing capital receipts return.</li> </ul>	September – November 2014	Ongoing	Work is underway regarding the housing benefits scheme claim.  The pooling of housing capital receipts return has been certified without amendment or qualification as disclosed in the annual audit letter reported at the 20 November 2014 Audit and Governance Committee meeting.

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# Code changes – have your say

## Accounting and audit issues

At the end of July, CIPFA/LASAAC released the 2015/16 Code of Practice on Local Authority Accounting in the United Kingdom (the Code) Exposure Draft (ED) and Invitation to Comment (ITC) for public consultation which closed on Friday 10 October 2014. The changes proposed in the ITC include:

- IFRS 13 fair value measurement: the proposed approach would result in remeasurement of property, plant and equipment assets that do not provide service potential for the authority. IFRS 13 also applies to assets and liabilities covered by those IFRS standards that currently permit or require measurement at fair value (with some exceptions) and will have an impact on the reporting of, for example, financial instruments and investment properties;
- Other amendments to IFRSs: including the accounting treatment of pensions' contributions;
- IFRIC 21 Levies (ie levies imposed by governments);
- changes to UK GAAP particularly relating to Heritage Assets; and
- other minor and drafting amendments.

CIPFA/LASAAC also launched a second stage consultation on simplifying and streamlining the presentation of local authority financial statements which closed on Friday 19 September 2014.

## Issues for consideration

- Has your Head of Finance reviewed the proposed amendments and assessed the potential impact?

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# CIPFA LAAP updates

## Accounting and audit issues

CIPFA have issued the following LAAP Bulletins:

- LAAP bulletin 99 Local Authority Reserves and Balances – provides guidance on the establishment and maintenance of local authority reserves and balances.

## Issues for consideration

- Has your Head of Finance reviewed the guidance and assessed the potential impact for your authority?
- Has your authority started to implement a project plan for accounting for transport infrastructure assets?

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# New routes to housing development

## Grant Thornton

We have issued the first in a series of good practice papers on topical issues for local government.

This paper considers good practice in councils' approaches to delivering affordable housing. Until recently, local authorities have acted as an enabler of new affordable housing; increasingly they are now undertaking a direct delivery role. Delivery routes vary and must be structured with the council's objectives and capacity in mind as there is no 'one size fits all' approach. The paper considers the benefits and challenges of council owned housing companies, including:

- Setting and delivering objectives
- Identifying optimal funding routes
- Assessing viability and working with others

The paper stresses the importance of a properly developed business case and business plan to support the setting up of a housing company.

Copies of our good practice paper are available from your engagement lead.



# Anti - fraud and corruption update

## Grant Thornton

Key current issues include:

**Single Fraud Investigation Service (SFIS)** - The SFIS will bring together all investigative capacity in relation to benefits and tax credits under the control of the Department of Work and Pensions. However a number of local authorities have expressed concern that such a transfer will cause them to lose the capacity to readily investigate other issues such as employee fraud and corruption allegations.

**Corruption risk** - In 2013 Transparency International (TI), the world's leading non-governmental anti-corruption organisation, published a report on corruption in UK Local Government. It identified twelve key risk areas covering public procurement, control over outsourced services, personnel transferring between local authorities and companies bidding to provide services, planning issues, collusion in housing fraud and manipulation of electoral registration. TI expressed concern that audit committees were unable to fulfil the function of reducing risks in many authorities.

**Non-benefits fraud** - There are striking differences between the identification of benefit and non-benefit fraud within local government. The Audit Commission has reported that 79 district councils did not detect a single non-benefit fraud whereas only 9 councils among all London boroughs, metropolitan districts and unitary authorities reported non-benefit frauds. Procurement fraud in particular is consistently estimated as accounting for the largest losses to fraud within local government. In its most recent Protecting the Public Purse publication the Audit Commission estimated annual losses at £876 million, representing 1% of total procurement spend.

Our Forensic Investigation Services provide a range of services to local authorities including fraud prevention and detection. If you are interested in a further discussion on these areas please contact your engagement lead.

# Managing council property assets

## Local government guidance

The Audit Commission has issued its briefing paper **Managing Council Property Assets: Using Data from the VFM Profiles**

In the paper the Audit Commission:

- advocates that councils should be active and strategic managers of their estates – understanding property markets and asking questions about the properties they own or lease;
- prompts councils to consider whether assets are in the right place, whether they should keep, sell, or transfer them, and how much they should invest in building, buying and maintaining property; and
- invites local authorities to balance the value realised through sales of surplus assets, against the cost of maintaining them.

The background to the briefing is the collation of information from the government's capital outturn return which identifies that the local government estate has a net book value of £169.8 billion of which £2.5 billion have been classified as 'surplus' assets. In this context the Audit Commission is calling on councils to ensure they have a strategic approach to managing these assets, in order to get the best value for money they can from this portion of the local government estate. The Audit Commission Chair, Jeremy Newman said:

*"we are neither advocating that local government starts a wholesale sell-off of their land and property nor are we suggesting councils shouldn't spend money on buying assets or on investment to improve their existing property. What we are highlighting is a group of assets that do not provide immediate benefit to local communities, but still require councils to spend money on maintaining them. These assets have potential value for councils. While not all such land or buildings may be sellable, councils should consider how much value they gain from surplus assets and how this could be increased. I urge councils to use the data held in the Commission's 'Value for Money (VFM) Profiles Tool', such as spending on and value of land and property assets and 'surplus' assets, alongside their unique and detailed local knowledge, to regularly review if their estate is fit-for-purpose."*

## Issues for consideration

- Are members satisfied that the Council has adequate management arrangements in place to ensure its property assets are being efficiently and effectively managed?

# The National Fraud Initiative

## Local government guidance

On 12 June 2014 the Audit Commission released its national report, [The National Fraud Initiative \(NFI\): National Report \(June 2014\)](#) highlighting that its data matching exercise has identified a further £229 million of fraud, overpayment or error in England, Scotland, Wales and Northern Ireland, since it last reported in May 2012. The Chairman of the Audit Commission, Jeremy Newman said;

*"We publish a report from the NFI every two years and continue to produce great results. The national figure for identified fraud, error and overpayment, that would otherwise be lost to the taxpaying public, is down by £46 million compared to the previous report although the number of cases has increased by nearly 20 per cent. This is great news if, as we believe, it is due to improving detection rates. However, we cannot be complacent. The more participants in the exercise, the richer the data for everyone involved and the harder it is for fraudsters to hide from detection".*

The Audit Commission's National Fraud Initiative will move to the Cabinet Office in April 2015 to secure the continuation of the counter fraud data matching initiative which over its 18 year history has identified over £1.17 billion in fraud, error and overpayment.

## Issues for consideration

- Are members satisfied that the Council's support for the NFI's data matching exercise is adequate and that local data matches are being properly investigated to identify potentially fraudulent activity?



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# The Annual Audit Letter for East Devon District Council

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**Year ended 31 March 2014**

23 October 2014

**Barrie Morris**

Director

T 0117 305 7708

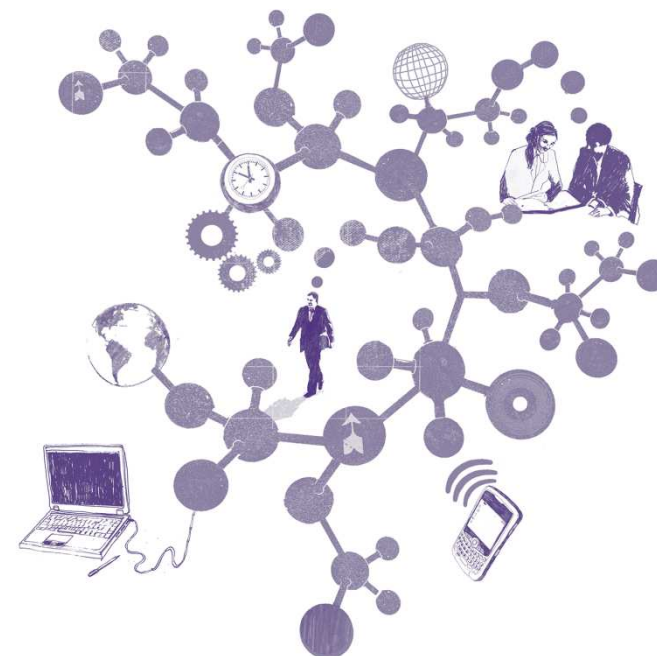
E [barrie.morris@uk.gt.com](mailto:barrie.morris@uk.gt.com)

**Ashley J Allen**

Manager

T 0117 305 7629

E [ashley.j.allen@uk.gt.com](mailto:ashley.j.allen@uk.gt.com)



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# Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at East Devon District Council ('the Council') for the year ended 31 March 2014.

The Letter is intended to communicate key messages to the Council and external stakeholders, including members of the public. Our annual work programme, which includes nationally prescribed and locally determined work, has been undertaken in accordance with the Audit Plan that we issued February 2014 and was conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

<b>Financial statements audit (including audit opinion)</b>	<p>We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 25 September 2014 to the Audit and Governance Committee. The key messages reported were:</p> <ul style="list-style-type: none"><li>• no material errors were found during the course of our audit in the draft accounts presented for audit;</li><li>• the accounts were produced to a good standard; and</li><li>• all requests for additional information were dealt with promptly by the finance team.</li></ul> <p>We issued an unqualified opinion on the Council's 2013/14 financial statements on 25 September 2014, meeting the deadline set by the Department for Communities and Local Government. Our opinion confirms that the financial statements give a true and fair view of the Council's financial position and of the income and expenditure recorded by the Council.</p>
<b>Value for Money (VfM) conclusion</b>	<p>We issued an unqualified VfM conclusion for 2013/14 on 25 September 2014.</p> <p>On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2014.</p>

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## Key messages

<b>Whole of Government Accounts</b>	The Council was below the £350 million audit threshold set by the National Audit Office (NAO) for Whole of Government Accounts and therefore a full review of the consolidation pack was not required. We confirmed the disclosure of excluded items to the NAO by the 3 October deadline.
<b>Certification of grant claims and returns</b>	We are required to certify two grant claims and returns. Our work with regard to the 'Pooling of Housing Capital Receipts' is complete and was certified with no amendment or qualification. Our work on the certification of the Housing Benefits claim is on-going and the key messages from our certification work will be reported in our certification report due to be issued on completion of work on this claim.
<b>Audit fee</b>	Our fee for 2013/14 was £80,375, excluding VAT which represents a reduction of 2% from the previous year. Further detail is included within appendix B.



## Appendix A: Key issues and recommendations

This appendix summarised the significant recommendations identified during the 2013/14 audit.

No.	Issue and recommendation	Priority	Management response/ responsible office/ due date
1.	<p>The rolling property, plant and equipment revaluation programme does not meet the Code's requirement in paragraph 4.1.2.35 to value items within a class of property, plant and equipment simultaneously.</p> <p><b>Recommendation:</b> The Council should ensure that all assets within the same class are valued within the same financial year to meet the Code's requirements for revaluing of Property, Plant and Equipment in paragraph 4.1.2.35.</p>	Significant deficiency	<p>We will review the process within Estates to ensure compliance with the Code.</p> <p>Responsible office: Estates Due date: 2014/15 accounts</p>
2.	<p>Through our testing of valuations of property, plant and equipment, it was noted that there are five assets that have not been revalued in the last five years.</p> <p><b>Recommendation:</b> The Council should ensure that all assets are revalued at least every five years in line with policies and the Code. The six assets that were noted as not having been revalued in over five years should be revalued for the next financial year.</p>	Significant deficiency	<p>We will review the process within Estates to ensure compliance with the Code.</p> <p>Responsible office: Estates Due date: 2014/15 accounts</p>

## Appendix B: Reports issued and fees

We confirm below the fee charged for the audit and provision of non-audit services.

### Fees

	Per Audit plan £	Actual fees £
Audit Fee	66,861	*67,761
Grant certification fee	14,200	**12,614
<b>Total fees</b>	<b>80,881</b>	<b>80,375</b>

\*There is additional fee of £900 in respect of work on material business rates balances. This additional work was necessary as auditors are no longer required to carry out work to certify NDR3 claims. The additional fee is 50% of the average fee previously charged for NDR3 certifications for district councils and has been approved by the Audit Commission.

\*\*The indicative fee published by the Audit Commission for grant certification work required in 2013/14 for the Council is £12,614. As the work has not yet been completed on the grant certifications, we therefore cannot confirm the final fee.

### Fees for other services

Service	Fees £
Review of IT Shared Service Arrangements – Phases 1 and 2. This is a joint review for East Devon District Council, Exeter City Council and Teignbridge District Council. The total fee for these two phases of the work was £17,998, the cost of which was shared equally across the three councils. The fee identified here represents the Council's share of the work delivered.	5,999

### Reports issued

Report	Date issued
Audit Plan	February 2014
Audit Findings Report	16 September 2014
Certification report	Planned for November 2014
Annual Audit Letter	23 October 2014



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**Report to:** **Audit and Governance Committee**  
**Date of Meeting:** 20 November 2014  
**Public Document:** Yes  
**Exemption:** None



**Agenda item:** To be completed by Democratic Services.

**Subject:** **1<sup>st</sup> full risk review of 2014/15**

**Purpose of report:** Risk information for the 2014/15 financial year until end September 2014 is supplied to allow the Audit and Governance Committee to monitor the risk status of Strategic and Operational Risks. This follows the 1<sup>st</sup> full review of risks by responsible officers for 2014/15.

**Recommendation:** **1. That the Audit and Governance Committee considers the current status of risks following the full risk review undertaken in September/October 2014.**

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

**Officer:** Joanne Avery, Management Information Officer  
[javery@eastdevon.gov.uk](mailto:javery@eastdevon.gov.uk)  
ext 2332

**Financial implications:** There are no direct financial implications.

**Legal implications:** There are no direct legal implications

**Equalities impact:** Low Impact  
Click here to enter text on impact level relating to your report. Link to an equalities impact assessment form if necessary.

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

**Links to background information:**

- [Appendix A – The Risk Review Report – high and upper medium risks with control action detail to October 2014](#)
- [Appendix B – The Risk Review Report – medium and low risks only to October 2014](#)
- [Appendix C – Office relocation risk review September 2014](#)
- [Appendix D - Explanations and definitions.](#)

## Report in full

1. The EDDC's Risk Management Policy requires all risks identified by the council to be reviewed bi-annually. There are currently 12 Strategic and 109 Operational Risks, each when first identified were considered high or medium level risks which required some form of mitigation through control actions. For this first full review for 2014/15 all risk owners were asked to reassess the overall risk, update their control action/s and re-score the risk to give a residual score in light of the mitigation from the control actions undertaken.

2. In the full risk register there is one risk which is currently scored as high,

- **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.** - Impact: Serious Likelihood: Very likely

While our Supporting People grant has reduced by around ten per cent this year, we are looking to offer the service to our tenants in general needs accommodation, and then to the private sector population, many of whom it is anticipated will be self-funding.

Further information including control actions for these risks can be found at [appendix A](#) showing all of the high and upper medium risks, (upper medium scoring 8 or over).

3. All services were asked to highlight any new and emerging risks with no new risks being put forward.

4. Following the risk review no risks were archived,

5. A report showing the medium and low level risks without control actions appears in [appendix B](#).

6. Number of risks in each service by score showing movement from the first review in 2014/15 to this last review.

Finance	High	Medium	Low
<i>This review</i>		3	18
<i>Previous review</i>		3	18

Economy	High	Medium	Low
<i>This review</i>		10	9
<i>Previous review</i>		9	10

Housing	High	Medium	Low
<i>This review</i>	1	11	10
<i>Previous review</i>	2	10	10

Environment	High	Medium	Low
<i>This review</i>		5	9
<i>Previous review</i>		3	11

Legal & Democratic	High	Medium	Low
<i>This review</i>		9	5
<i>Previous review</i>		10	4

Organisational Development	High	Medium	Low
<i>This review</i>		3	10
<i>Previous review</i>		3	10

ICT	High	Medium	Low
<i>This review</i>		4	3
<i>Previous review</i>	1	3	2

Strategic Risks	High	Medium	Low
<i>This review</i>		12	
<i>Previous review</i>		7	5

7. The office relocation project risk register was last reviewed and updated in September 2014. These project risks are identified under three categories;
- Red Risks - Medium to long-term effect and expensive to recover
  - Orange Risks - Medium term effect, which may be expensive to recover
  - Blue Risks - Short to medium term effect

Currently there are 42 Open Risks (previously 38), comprising of 8 Red Risks (9), 26 Orange Risks (22) and 8 Blue Risks (7).

Whilst by its nature the contents of the Risk Register are confidential, since it identifies potential project vulnerabilities and management actions to mitigate and / or manage the particular risks, it can be confirmed that the following risks among others have been identified:

- Market conditions
- Government legislation
- Staff Matters
- Information technology and associated matters.
- Potential for additional unplanned maintenance being incurred whilst EDDC remains at Knowle
- Matters associated with the marketing and bidding process of Knowle and Manstone.
- Matters affecting asset value and Project cost
- Legal objections to the Council's relocation

8. Further detail of the office relocation project risk register is shown at [appendix C](#).
9. An explanation and definitions of these risks including the risk matrix can be found in [appendix D](#).

## High and upper medium risks only with control action (SR & OR)

Report for 2014/2015

Filtered by Flag: Include: Strategic Risks, Operational Risk

Exclude: Archive

Filtered by Performance Status: Include Risk Status: Medium, High

Not Including Projects records, Including Control Action records

### Key to Performance Status:

Control Action:	No longer required	No Data available	Not Effective	in Planning / Progress	Completed	Working and Effective
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Risks:	No Data (0+)	High (12+)	Medium (6+)	Low (1+)
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## High and upper medium risks only with control action (SR & OR)

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

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

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	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	30/09/2014
Working and Effective	District Work Model	100% mobile support service offered by April 2010 to comply with Supporting People Contract expectations with district offices being available for all staff to be located.	John Golding	28/10/2009	30/09/2014
Working and Effective	New business generation	New business generated and/or service charges increased	John Golding	31/03/2013	30/09/2014
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	30/09/2014
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	30/09/2014
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	30/09/2014

**Responsible Officer: Sue Bewes**

**Review Note:** We have received notice from Devon County Council that our contract with them (& grant money) will cease from 1 April 2015. We are consulting on alternative models that will require customers paying for the service themselves, but it is likely some will be priced out of the service.

## High and upper 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	30/09/2014
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	30/09/2014
Working and Effective	Patch working	Internal Audit will be consulted before any changes in operational practice is implemented through Systems Thinking Redesign.	John Golding	12/05/2010	30/09/2014
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	30/09/2014
Working and Effective	Promote help that can be provided	Promote Credit Unions and use of Discretionary Housing Payments	John Golding	31/03/2013	30/09/2014
Working and Effective	Provision made for increased bad debt	Provision made for increased bad debt	John Golding	31/03/2013	30/09/2014
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	30/09/2014
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	30/09/2014
Working and Effective	Systems Thinking Regime	Tenant Handbook and Systems Thinking redesign.	John Golding	02/10/2009	30/09/2014
Working and Effective	Welfare Advisors appointed	Welfare Advisors appointed to provide advice and information to tenants	John Golding	31/03/2013	30/09/2014

**Responsible Officer: Sue Bewes**

**Review Note:**



## High and upper medium risks only with control action (SR & OR)

**Risk: New-Build Council Homes** The risks associated with being a developer of council homes, especially with regards potential abortive costs, cost overruns, failure to obtain planning permission and loss of HCA grant.

<b>Pure Status: High (16)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (9)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 01 Oct 2009</b>		<b>Service: Housing</b>

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
No Data available	Development expertise	Ensure that we have the necessary development expertise through the appointment of external consultants and we engage appropriate internal advice on planning, legal, and property matters.	John Golding	02/10/2009	30/09/2014
No Data available	Homes and Community Agency (HCA) bids and grants	Ensure that we can comply with all the bidding requirements set by the HCA as part of the Investment Management System.	John Golding	02/10/2009	30/09/2014
No Data available	Joining Partnership South West development consortium	Can call on development expertise of experienced housing association developers.	John Golding	15/09/2011	30/09/2014
No Data available	Robust development proposals	Ensure that building proposals have been carefully assessed and realistic prior to bids for HCA grant, planning permission, tender etc.	John Golding	02/10/2009	30/09/2014

**Responsible Officer: John Golding**

**Review Note:** Developer risk will be mitigated by the appointment of a Senior Technical Officer (Assets) and utilising their expertise on any projects we take forward. We attempt to de-risk projects by careful analysis and accurate costings with contingencies.

## High and upper medium risks only with control action (SR & OR)

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

**Pure Status: High (12)**

**Pure Risk Impact: Major**

**Pure Risk Likelihood: Likely**

**Residual Status: Medium (9)**

**Residual Risk Impact: Serious**

**Residual Risk Likelihood: Likely**

**Date Identified: 01 Oct 2009**

**Service: Housing**

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
No Data available	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	30/09/2014
No Data available	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	30/09/2014
No Data available	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	30/09/2014
No Data available	Staff training	DVD training available	John Golding	02/11/2009	30/09/2014

**Responsible Officer: John Golding**

**Review Note:** The risk impact level for this risk has been raised this because of all the media attention this area now generates when things go wrong. We have seen a good number of child protection cases where partner agencies are being implicated (not just the fault of Social Services). We have also seen failures that result in the death of a child. We have updated the Safeguarding Children Policy adopted and promoted it internally. We have formed a Devon local authority safeguarding group and are seeing better sharing of information and good practice.

## High and upper 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.

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

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Occupancy checks on tenants in temporary and general accommodation	Periodic and targeted occupancy checks undertaken to determine the appropriate occupier is residing in the property.	Dennis Boobier	13/10/2009	30/09/2014
Working and Effective	Social housing fraud initiative	Subscribing to the national fraud prevention initiative and following Audit Commission advice.	Dennis Boobier	13/10/2009	30/09/2014
Working and Effective	Tenancy Fraud Strategy	Strategy agreed by the Housing Review Board to be implemented.	Dennis Boobier	04/05/2011	30/09/2014
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	30/09/2014

**Responsible Officer: Sue Bewes**

**Review Note:** Audit underway could make recommendations that would improve our processes and actions, reducing risk still further.

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

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (9)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 28 Oct 2009</b>		<b>Service: Legal, Licensing and Democratic Services</b>

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	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	Henry Gordon Lennox	29/10/2009	30/09/2014

**Responsible Officer: Henry Gordon Lennox, Rachel Pocock**

**Review Note:**

## High and upper medium risks only with control action (SR & OR)

**Risk: Failure to ensure we have an agreed Local Plan** Failure to ensure we have an agreed Local Plan would affect our ability to deliver the appropriate levels of new homes and employment opportunities through land allocations across the district. Furthermore the absence of an up to date local plan inhibits our ability to deliver optimal sustainable development for the District infrastructure and the Council's growth and redevelopment plans across the district. This could result in unplanned development and affect the economic viability of the district.

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (9)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 20 Jan 2010</b>		<b>Service: Strategic Risks</b>

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	Agree and adhere to a plan and timeline for response to Inspector in line with his requirements	Following the Local Plan inspection a revised timetable has been agreed with the Inspector and officers are working to meet his requirements. Challenges include duty to co-operate and management of additional information / tasks including SHMA and G&T	Richard Cohen	02/05/2012	30/09/2014
in Planning / Progress	Complete additional tasks to meet Inspector's requirements	Complete additional evidence gathering, modifications, consultation and other tasks to meet Inspector's requirements	Richard Cohen	31/03/2014	30/09/2014
in Planning / Progress	Secure an approved new Local Plan for East Devon	Local plan enquiry proposed to resume late 2014. Subject to satisfactory conclusion Local Plan adoption mid 2015.	Richard Cohen	20/01/2010	30/09/2014

**Responsible Officer: Richard Cohen**

**Review Note:** The Local Plan Inspector has not approved our Local Plan and further information to be provided by us prior to reconvening the inspection process

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

<b>Pure Status: Medium (6)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Unlikely</b>
<b>Residual Status: Medium (9)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 05 Jan 2012</b>		<b>Service: Legal, Licensing and Democratic Services</b>

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Liaison with elected members	Close liaison with elected members to ensure any resource or organisational issues are addressed at an early stage	Rachel Pocock	05/01/2012	30/09/2014

**Responsible Officer: Henry Gordon Lennox, Rachel Pocock**

**Review Note:**

## High and upper medium risks only with control action (SR & OR)

**Risk: Unforeseen expenditure on council homes** Unplanned need to spend on repairs and maintenance

<b>Pure Status: Medium (6)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Unlikely</b>
<b>Residual Status: Medium (9)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 07 Sep 2012</b>		<b>Service: Housing</b>

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
No Data available	HRA Business Plan	The HRA Business Plan captures known items of major expenditure and is designed to maintain the Council's assets.	John Golding	31/03/2013	<b>30/09/2014</b>
No Data available	Improvement programmes	We devise five year improvement programme to ensure that the housing stock is fit for purpose.	John Golding	31/03/2013	<b>30/09/2014</b>
No Data available	Insurance	Council homes are insured.	John Golding	31/03/2013	<b>30/09/2014</b>
No Data available	Stock survey information	We use stock condition information to predict major expenditure and plan spend over a number of years.	John Golding	31/03/2013	<b>30/09/2014</b>

**Responsible Officer: John Golding**

**Review Note:** We have seen weather related water penetration damage over the past winter. Budget surpluses will allow for a certain amount of unforeseen expenditure.

## High and upper medium risks only with control action (SR & OR)

**Risk: Business Rate Retention Scheme for local authorities** From 01/04/13 the Council will retain 50% in business rate growth (subject to a 50% levey) or if there is a reduction it will have to meet 50% of the loss. The financial risk of growth or decline is now held at a local level rather than smoothed out at a national level. There are many factors outside the authorities direct control that influence this position.

<b>Pure Status: High (12)</b>	<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Likely</b>
<b>Residual Status: Medium (9)</b>	<b>Residual Risk Impact: Serious</b>	<b>Residual Risk Likelihood: Likely</b>
<b>Date Identified: 20 Sep 2012</b>		<b>Service: Finance</b>

Control Action records					
Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Ensure appropriate reserves are in place	It will be ensured that the Council will maintain appropriate reserve levels to accommodate any unforeseen losses in income. Also a prudent approach has been taken in budgetting the Business Rate income available to the Council and a seperate Business Rate volatility as been established.	Simon Davey	21/09/2012	30/09/2014
Working and Effective	Maximise receipts	We are in a Devon Pool in order to maximise receipts to the Council	Simon Davey	21/09/2012	30/09/2014
Working and Effective	Proactive Monitoring	We will be closely working with NNDR Team, Planning and the Valuation Office to ensure we have early warnings of movements in business numbers or valauation details. We closely monitor NNDR gross debit compared with the budget and collection rates to ensure the Council gets an early warning of variations which may effect the Council's financial position.	Simon Davey	21/09/2012	30/09/2014

<b>Responsible Officer: Simon Davey</b>
<b>Review Note:</b>

## High and upper 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	30/09/2014
Working and Effective	Maintenance contract	Contract with software supplier with 4 hour response time.	John Golding	01/10/2009	30/09/2014
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	30/09/2014
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	30/09/2014
Working and Effective	UPS system	Uniterupted Power Supply installed	John Golding	01/10/2009	30/09/2014
Responsible Officer: Sue Bewes					
Review Note:					

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

<b>Pure Status: High (16)</b>		<b>Pure Risk Impact: Major</b>	<b>Pure Risk Likelihood: Very Likely</b>		
<b>Residual Status: Medium (8)</b>		<b>Residual Risk Impact: Major</b>	<b>Residual Risk Likelihood: Unlikely</b>		
<b>Date Identified: 01 Oct 2009</b>			<b>Service: Housing</b>		
<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
Working and Effective	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	30/09/2014
Working and Effective	Health & Safety Advisor	The Council has an officer dedicated to ensuring the Health & Safety of Employees who gives advice where necessary.	John Golding	28/10/2009	30/09/2014
Working and Effective	Home Safeguard monitoring of lone workers	From April 2010 offer staff the lone worker monitoring facility through the PNC6 system at Home Safeguard.	John Golding	28/10/2009	30/09/2014
Working and Effective	Lone Working Policy and associated training	Ensure that all staff are aware of and follow the Lone Working Policy and procedures designed to protect their safety. Ensure all relevant staff attend training.	John Golding	02/10/2009	30/09/2014
<b>Responsible Officer: Sue Bewes</b>					
<b>Review Note:</b>					



## High and upper medium risks only with control action (SR & OR)

**Risk: The right people in the right place at the right time** The council fails to recruit, retain, plan and effectively manage staff resources at a level and skill which is adequate to meet its key priorities and service requirements resulting in service failure.

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

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
Working and Effective	Authority to Recruit	Headcount is monitored carefully and new positions are signed off by SMT	Karen Jenkins	02/10/2009	30/09/2014
Working and Effective	Budgets	Provide appropriate revenue provision	Simon Davey	02/10/2009	30/09/2014
Working and Effective	Learning and Development	Good corporate learning and development opportunities for all staff	Karen Jenkins	01/04/2014	30/09/2014
Working and Effective	Manager training	Extensive training for all managers through the Learning and Development Partnership	Karen Jenkins	01/04/2014	30/09/2014
Working and Effective	Monitoring of staff turnover	EDDC monitors turnover and reason for leaving so issues can be addressed	Karen Jenkins	01/04/2014	30/09/2014
Working and Effective	Performance Excellence Review	Annual PERs and routine 1-2-1s for all staff	Karen Jenkins	02/10/2009	30/09/2014
Working and Effective	Recruitment and retention of staff	Maintain comprehensive policies, practises and procedures developed to meet the organisational needs of the council (Employment Handbook)	Karen Jenkins	15/03/2010	30/09/2014
Working and Effective	Service Planning	Identify resource requirements to deliver key objectives and service requirements	Simon Davey	02/10/2009	30/09/2014

**Responsible Officer: Karen Jenkins**

**Review Note:** Some areas continue to be difficult to recruit to due to location and high house prices as well as a dearth of skills nationally and competition with the private sector.



## High and upper medium risks only with control action (SR & OR)

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

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

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	30/09/2014
No Data available	Service lead to consider at pre contractual stage a fall back position	Service lead to consider at pre contractual stage what the fall back position would be in terms of contract failure and how to provide for this	Rachel Pocock	23/09/2013	30/09/2014
No Data available	Service lead to regularly monitor service delivery against performance targets on contracts	Service leads to regularly monitor service delivery against performance targets on contracts and advise legal and finance of significant breaches of contract at an early stage.	Rachel Pocock	23/09/2013	30/09/2014
No Data available	Service leads to keep the corporate contracts register up to date.	Service leads to keep the corporate contracts register up to date.	Rachel Pocock	22/05/2014	30/09/2014

**Responsible Officer: Henry Gordon Lennox, Rachel Pocock**

**Review Note:**

## High and upper medium risks only with control action (SR & OR)

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

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

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

<b>Control Action records</b>					
<b>Control Status</b>	<b>Control Action</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
Working and Effective	Annual budget preparation and monitoring	Service managers, directors, members involved in the preparation of budgets and in the monitoring/reporting of actual financial performance during the course of the year. This is done early so that the budget for the next year is balanced well in advance	Simon Davey	02/10/2009	30/09/2014
in Planning / Progress	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	30/09/2014
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	30/09/2014
Working and Effective	Medium term budget preparation	Preparation of medium term financial plan forecasting income and expenditure and any potential gap in resources	Simon Davey	02/10/2009	30/09/2014
Working and Effective	Prudential borrowing	Ensure borrowing is affordable and sustainable	Simon Davey	29/10/2009	30/09/2014
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	30/09/2014

**Responsible Officer: Simon Davey**

**Review Note:**

## High and upper 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 Risks**

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	CoCo Compliance	Ensure 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	30/09/2014
in Planning / Progress	ICT Strategy	Ensure our ICT Strategy sets out our 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	30/09/2014
Working and Effective	Information Security Policy	Information Security Policy in place to protect systems from electronic attack; inappropriate user access; inappropriate use of systems.	Chris Powell	05/10/2009	30/09/2014
Completed	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	30/09/2014
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	30/09/2014

**Responsible Officer: Chris Powell**

**Review Note:** Strata will introduce more resilient and secure systems . It will also introduce a new form of desktop delivery which is easier to use from other sites in the event of a disaster.

This is in the planning stage with implementation due in late 2015

## High and upper medium risks only with control action (SR & OR)

**Risk: Adequate emergency planning and business continuity** A failure to adequately plan for emergencies and understand what issues arise in planning for business continuity could lead to a major service failure.

**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 Risks**

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
No Data available	Clear accountability for cascading information and communicating to the staff and public	Clear accountability for cascading information and communicating to the staff and public	John Golding	31/03/2014	30/09/2014
No Data available	Effective liaison, contact, communication and training arrangements	Effective communication and training associated with the Plan	John Golding	07/10/2009	30/09/2014
No Data available	Effective local plan for emergencies	Clear allocation of accountability and key personnel identified in the Business Continuity Plan	John Golding	07/10/2009	30/09/2014
No Data available	Effective means of securing resources/equipment and implementing plan	During normal working hours and out of hours	John Golding	07/10/2009	30/09/2014
No Data available	Regular review of Council Emergency and Business Continuity Plan	Regular review of Council Emergency and Business Continuity Plan	John Golding	31/03/2014	30/09/2014
No Data available	Rehearsal and testing of the plan by various service areas	Ensure a regular and planned test and review of the Emergency Plan to ensure it is operable, effective, streamlined and up-to-date.	John Golding	07/10/2009	30/09/2014

**Responsible Officer: John Golding**

**Review Note:** Emergency Plan has been updated in 2013. Services have experience in dealing with emergencies. Warning system tried and tested.

## High and upper 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: Medium (9)		Pure Risk Impact: Serious	Pure Risk Likelihood: Likely		
Residual Status: Medium (8)		Residual Risk Impact: Significant	Residual Risk Likelihood: Very Likely		
Date Identified: 08 Oct 2009			Service: Strategic 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	30/09/2014
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	30/09/2014
Working and Effective	Standards Committee consideration of Code complaints and training	Standards Committee/Monitoring Officer consideration of Code complaints [as appropriate] and future training requirements of district and parish members.	Denise Lyon	11/10/2012	30/09/2014
Responsible Officer: Denise Lyon					
Review Note:					

## High and upper medium risks only with control action (SR & OR)

**Risk: Failure to implement a Community Infrastructure Levy (CIL) charging schedule by 2014** Failure to implement a Community Infrastructure Levy (CIL) charging schedule within a known timescale (mandatory start date) could reduce our ability to collect finance we would have otherwise expected to receive from new developments

<b>Pure Status: Medium (9)</b>	<b>Pure Risk Impact: Serious</b>	<b>Pure Risk Likelihood: Likely</b>
<b>Residual Status: Medium (8)</b>	<b>Residual Risk Impact: Significant</b>	<b>Residual Risk Likelihood: Very Likely</b>
<b>Date Identified: 26 Aug 2011</b>		<b>Service: Planning Policy</b>

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
in Planning / Progress	Create, consult on and implement charging schedule in agreement with upper and lower tier Councils	Create, consult on and implement charging schedule in agreement with upper and lower tier Councils, and communities.	Matt Dickens	26/08/2011	30/09/2014
in Planning / Progress	Put in place cross boundary governance for procurement as necessary.	Put in place cross boundary governance for procurement as necessary.	Matt Dickens	26/08/2011	30/09/2014
in Planning / Progress	Review of Cranbrook development infrastructure requirements to inform policy	Review of Cranbrook development infrastructure requirements and proposed charging regime to inform future policy	Matt Dickens	31/03/2014	30/09/2014

**Responsible Officer: Matt Dickens**

**Review Note:** The CIL charging schedule cannot be adopted until the new local plan is adopted. Adoption of the new local plan is now expected in 2015 as the inspector has requested that the Council complete further work for his consideration before further progress can be made. It should be noted that further work is also ongoing in respect of CIL at Cranbrook at the Inspector's request. Until CIL is adopted we will continue to rely on Section 106 agreements to be the primary means by which we mitigate impacts arising from development (securing relevant infrastructure needed by/to allow for the development). We are aware, however, that more stringent legal rules will apply from April 2015 in respect of 106 agreements and so greater care will be required in agreement drafting.

**Risk: Ability to respond to single issue pressure groups** Our ability to respond to single issue pressure groups as financial resources further constrict

<b>Pure Status: Medium (8)</b>	<b>Pure Risk Impact: Significant</b>	<b>Pure Risk Likelihood: Very Likely</b>
<b>Residual Status: Medium (8)</b>	<b>Residual Risk Impact: Significant</b>	<b>Residual Risk Likelihood: Very Likely</b>
<b>Date Identified: 31 Mar 2013</b>		<b>Service: Legal, Licensing and Democratic Services</b>

### Control Action records

Control Status	Control Action	Info	Responsible Person	Date Identified	Last Review Date
Working and Effective	Use corporate communication	Use corporate communication channels to help us deal with demand.	Rachel Pocock	31/03/2013	30/09/2014

**Responsible Officer: Henry Gordon Lennox, Rachel Pocock**

**Review Note:**

## Medium and low scoring risks (SR & OR)

Annual report for 2014/2015

Arranged by Service

Filtered by Flag: Include: Strategic Risks, Operational Risk

Exclude: Archive

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

*Key to Performance Status:*

Risks: **No Data (0+)**

**High (12+)**

**Medium (6+)**

**Low (1+)**

## Medium and low scoring risks (SR & OR)

Service: Econ Dev

Risks			
Status	Title	Description	Notes
Low (2)	<b><u>Failure to ensure the cleanliness of public buildings</u></b>	Maintain the cleanliness of public buildings to an acceptable standard	SA- The service at the Knowle operates within resource limitations and uncertainty over future of Council HQ.
Medium (6)	<b><u>Delivery of the Growth Agenda for the West End of the District</u></b>	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 Intermodel Rail Freight Facility, which would mean a failure to deliver the Council's key corporate priority of Thriving Communities	
Medium (6)	<b><u>Financial claims against the Council arising from major property deal</u></b>	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	
Medium (6)	<b><u>Regeneration of Exmouth</u></b>	Failure to regenerate the town centre and seafront areas of Exmouth would lead to the continued decline in economic viability and attractiveness	
Low (2)	<b><u>Lack of budget to adequately maintain Council Property</u></b>	Lack of budget to adequately maintain Council Property	
Low (3)	<b><u>Danger to users of Public</u></b>	Danger to users of Public Buildings including Legionella and Asbestos	Legionella and Asbestos policies have been

## Medium and low scoring risks (SR & OR)

### Service: Econ Dev

#### Risks

Status	Title	Description	Notes
	<b><u>Buildings including Legionella and Asbestos</u></b>		updated this year. Asbestos awareness training is refreshed every 3 years.
Low (3)	<b><u>Delivery of employment sites in the west end inhibited by viability of projects</u></b>	Delivery of employment sites in the west end inhibited by viability of projects during economic downturn.	Significant new investments coming forward in line with general strengthening of the commercial property market
Medium (6)	<b><u>Long term financial support for NGP Team. Staff on short term contracts.</u></b>	Long term financial support for NGP Team. Staff on short term contracts.	Funding secured until March 2016. Long term future of NGP team bound up in current discussions about potential for greater shared working with Exeter City and Teignbridge District Councils.
Low (3)	<b><u>Securing up-front funding for major infrastructure in the west end</u></b>	Securing up-front funding for major infrastructure in the west end to serve both East Devon and Exeter's needs.	Phase 2 of Cranbrook underway. Further investment confirmed through Growth Deal 1 e.g. for phase 2 of the Science Park.
Medium (6)	<b><u>Implications of Equity Share holding in Science Park Company.</u></b>	Implications of Equity Share holding in Science Park Company.	
Low (4)	<b><u>Regeneration of Seaton</u></b>	Need to sustain regeneration projects and investment in Seaton to secure sustainable economic improvement for residents, business and visitors	

### Service: Planning

#### Risks

Status	Title	Description	Notes
Medium (6)	<b><u>Failure to ensure required standards of construction and safety within the District.</u></b>	Failure to ensure adequate standards could result in a variety of different scenarios ranging from a loss of public confidence and a down-turn	



## Medium and low scoring risks (SR & OR)

### Service: Planning

#### Risks

Status	Title	Description	Notes
		in service provision to the injury or death of a citizen.	
Medium (6)	<b><u>Safety of employees on site visits</u></b>	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'.	
Low (2)	<b><u>Loss of building control fee income to "Approved Inspectors"</u></b>	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.	
Medium (6)	<b><u>Perceived reputation of the service by local community causes preventable demand through complaints</u></b>	Perceived reputation of the service by local community causes preventable demand through complaints.	The controversial nature of planning decisions in East Devon means that there is always a risk of a formal complaint, however these are primarily about decisions reached than the service provided.
Low (4)	<b><u>Failure of correct procedures and practices causing challenges to decisions.</u></b>	Failure of correct procedures and practices causing challenges to decisions.	There continues to be a risk of judicial review of planning decisions particularly due to the controversial nature of a number of decisions on housing sites in the absence of a 5 year land supply, however it is considered that correct procedures and practices are being followed and controls are in place to minimise the risk.

### Service: Planning Policy

#### Risks

Status	Title	Description	Notes
Medium (6)	<b><u>Delay in adopting a Local Plan until 2014/15 could result in development in an unplanned</u></b>	Delay in adopting a Local Plan until 2014/15 could result in development in an unplanned fashion	External studies supporting the Local Plan have been commissioned but results from this are still awaited

## Medium and low scoring risks (SR & OR)

### Service: Planning Policy

#### Risks

Status	Title	Description	Notes
	<u><b>fashion</b></u>		
Medium (8)	<u><b>Failure to implement a Community Infrastructure Levy (CIL) charging schedule by 2014</b></u>	Failure to implement a Community Infrastructure Levy (CIL) charging schedule within a known timescale (mandatory start date) could reduce our ability to collect finance we would have otherwise expected to receive from new developments	The CIL charging schedule cannot be adopted until the new local plan is adopted. Adoption of the new local plan is now expected in 2015 as the inspector has requested that the Council complete further work for his consideration before further progress can be made. It should be noted that further work is also ongoing in respect of CIL at Cranbrook at the Inspector's request. Until CIL is adopted we will continue to rely on Section 106 agreements to be the primary means by which we mitigate impacts arising from development (securing relevant infrastructure needed by/to allow for the development). We are aware, however, that more stringent legal rules will apply from April 2015 in respect of 106 agreements and so greater care will be required in agreement drafting.
Low (4)	<u><b>Lack of funding and other resources for neighbourhood planning work</b></u>	Lack of funding and other resources for neighbourhood planning work	Present uncertainty around government funding for this, however in 2015 (post general election) greater clarity might be forthcoming.

### Service: Countryside, Arts and Leisure

#### Risks

Status	Title	Description	Notes
Low (2)	<u><b>Arboricultural professional liability for dangerous trees</b></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.	No changes required.
Medium (6)	<u><b>Business sustainability of LED Leisure</b></u>	Failure of LED Leisure through budget, legal, or reputational issues	No changes required.
Low (2)	<u><b>Safety of staff using dangerous equipment</b></u>	Safety of staff using dangerous equipment off-site, on nature reserves and other countryside land.	No change required.
Medium	<u><b>The financial</b></u>	The financial viability of the future operation	The THG has

## Medium and low scoring risks (SR & OR)

### Service: Countryside, Arts and Leisure

#### Risks

Status	Title	Description	Notes
(6)	<b><u>viability of the future operation of the Thelma Hulbert Gallery</u></b>	of the THG is dependent upon receiving income and grants as laid out in the 'THG Business Survival Strategy 2014' approved by Cabinet (05/03/14). The failure to secure these sources of income in 2014/15 will make the ongoing operation of the THG unsustainable financially to the Council. The Council will therefore need to make a final decision by the end of the financial year on the future use of this asset to protect its finances as well as its reputation management	unfortunately not been able to secure Trust status and so progress a key funding application to secure long term income. The progress of the THG is therefore still under close scrutiny as the year progresses.

### Service: Env Health & Car Parks

#### Risks

Status	Title	Description	Notes
Low (4)	<b><u>Failure to carry out public health duties and powers effectively</u></b>	The functions of the environmental health service center upon protection of public health. Failure to carry out these functions appropriately will expose the Council to risk to reputation, legal and financial risks	
Medium (6)	<b><u>Failure to manage Health and Safety responsibilities effectively</u></b>	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	
Low (4)	<b><u>Incorrect decisions on contaminated land</u></b>	Failure to correctly address areas of contaminated land which could risk the health of residents and expose the Council to litigation and financial claims.	
Low (4)	<b><u>Failure to carry out Food Safety and Health and Safety enforcement effectively</u></b>	Failure to carry out an effective enforcement regime could result in injury or ill health to residents and damage the reputation of the Council.	

### Service: StreetScene

#### Risks

Status	Title	Description	Notes
Low (4)	<b><u>Failure to maintain a clean and safe environment - fleet, machinery, plant and play</u></b>	Failure to maintain a clean and safe environment because of a lack of fleet, machinery and/or plant and also failing to maintain play	Continuous rolling reviews of equipment and fleet are part of our culture and well established. Risk Assess Assets - We still need a corporate overview of RA's and codes of practice similar to SSDC. SWAP has undertaken an asset audit which has highlighted some of our weaknesses/gaps in asset recording and

## Medium and low scoring risks (SR & OR)

### Service: StreetScene

#### Risks

Status	Title	Description	Notes
	<b><u>equipment</u></b>	equipment to acceptable safety standards.	inspection. Proactive and regular inspections of our assets are still not taking place although work to map all of them is progressing well. Once all assets are mapped within 12 months we can use the same resource to begin inspecting them. New StreetScene apps. are being rolled out to all teams. Once these are working correctly they give dynamic and accurate information about toilet defects, cleansing issues, vehicle defects and mileage etc. We have purchased new play area inspection software which will give us much more accurate and robust inspection data and enable better scheduling of proactive repairs and capital bids for replacement equipment. Our inspectors are trained and reached the industry standard.
Medium (6)	<b><u>Failure to ensure adequate sea defences and flood alleviation schemes</u></b>	Failure of Council-owned sea defences and flood alleviation schemes resulting in flood damage to property and risk to life and limb. Also, failure to develop newly identified sea defences and flood alleviation schemes due to them not meeting nationally assessed requirements to attract funding.	Damaged defences from the 2013/14 winter storms have been reinstated. Progress on the Feniton scheme and beach management at Sidmouth and Exmouth have been achieved with the assistance of consultants and partner agencies.
Medium (6)	<b><u>The continuity of the refuse and recycling service</u></b>	Failure of the contractors to deliver the service through strike action, company liquidation, legal prohibitions and/or other similar circumstances that render this contractor unable to continue with the contract.	Recent performance issues with the management of the SITA contract have led to a change of contract manager by SITA following discussions with AH/PMcH. The new contract manager has been appointed and has commenced work in bringing performance back to an acceptable level. Work on the Devon-wide partnership continues as per the request of cabinet to seek joined-up working and exploration of a potential collection contract [Integrated Devon]with Teignbridge and Exeter. The council have no wish to in-source the waste collection contract at this time - this has been discussed as part of the commissioning phase of the new

## Medium and low scoring risks (SR & OR)

### Service: StreetScene

#### Risks

Status	Title	Description	Notes
			collection contract that we are working on as a twin track with the Integrated Devon option. Total failure of the collection contract is unlikely but close management of this contract continues to be a priority. Use of alternative vehicles can be achieved if required, though sufficient time to arrange this would be required. Alternative collection arrangements would be arranged if/when required. Alternative disposal sites could be accessed if/when required.
Low (4)	<b><u>Failure to maintain Street Scene Assets</u></b>	Maintain the assets managed by Street Scene to a standard which ensure that they are safe and fit for purpose.	One of our Technical officers is mapping our assets to enable us to inspect them. It will take approximately 12 months to complete this work, we will then need to identify an asset inspection system and schedule regular inspections of our assets. We have been through an asset audit with SWAP which has highlighted the gaps we know we have and we will be implementing the recommendations to improve our recording and inspection regime. Any increase in assets inspections will have resource/budget implications.
Low (4)	<b><u>Economic downturn is affecting price per tonne for recycle, reducing income.</u></b>	Economic downturn is affecting price per tonne for recycle, reducing income.	Many of the contracts used by EDDC for revenue of sales of recycling materials are written and managed by Devon CC, so EDDC is in effect a client of the larger contract. So far the arrangements seem to be working well, though prices paid for recyclates can be fickle and subject to market changes. We will continue to monitor the situation with colleagues from DCC.

### Service: Audit

#### Risks

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

## Medium and low scoring risks (SR & OR)

### Service: Audit

#### Risks

Status	Title	Description	Notes
	<u>assets</u>	the opportunities to disguise and cover up the theft and/or irregularity.	

### Service: Customer Service

#### Risks

Status	Title	Description	Notes
Low (2)	<u>Accuracy and quality of information provided to the public when required</u>	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.	all controls listed are in place and working. These are reviewed from time to time to ensure appropriateness.

### Service: Finance

#### Risks

Status	Title	Description	Notes
Low (2)	<u>Failure to collect all income due to the Council - sundry debtors</u>	Failure to calculate, record, bill and collect sums due to the council from sundry debtors	
Low (4)	<u>Management of investments</u>	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	SWAP will do annual Audit shortly
Low (4)	<u>Funding from grants not received risk impacting on the Council budget</u>	That the Council does not receive grants and contributions to which it is entitled to meet, or help meet, its expenses having a negative impact on the Council's budget.	
Low (2)	<u>Security of cash in transit</u>	Failure to ensure the security of cash and the physical safety of those who transport it.	
Low (4)	<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 would lead to financial crisis and damage the Council's reputation.	
Low (4)	<u>Failure to monitor budgets</u>	Failure to keep the Council's spending within approved budgets and resources available to it could lead to financial and reputational ruin.	



## Medium and low scoring risks (SR & OR)

### Service: Finance

#### Risks

Status	Title	Description	Notes
Low (4)	<b><u>If the Council does not prudentially borrowing there could be a serious impact on its budget</u></b>	Councils are able to borrow money based on their own calculation of affordability, rather than Government controlled as before. There is a risk that the Council could over borrow with consequences on its revenue budget.	
Low (4)	<b><u>Delay in processing and administrating Housing Benefit payments</u></b>	Failure to pay the correct amount to the right person on time.	
Low (4)	<b><u>Reduction in Housing Benefit subsidy</u></b>	To avoid reduction in the level of housing benefit subsidy received as a result of high level of 'local authority error' or the incorrect treatment of benefit expenditure from subsidy claim	
Low (4)	<b><u>Housing Benefit take up</u></b>	To help alleviate hardship the availability of housing benefit by promoted through take up campaigns	
Low (3)	<b><u>Failure to collect all income due to the council - council tax, business rates, rent &amp; fines</u></b>	Failure to calculate, record, bill and collect sums due to the council from taxpayers and businesses, rent due and car parking fines could have a negative impact on the Council's budget.	
Low (4)	<b><u>If the Council does not have adequate insurance in place losses incurred could not be accommodated</u></b>	If the Council does not have adequate insurance in place there is a risk that losses incurred could not be accommodated within financial reserves held by the Council.	
Low (4)	<b><u>HRA Business Plan</u></b>	A new financial regime has been introduced for the HRA which has the advantage of the Council keeping all its revenue, however there is no longer a fall back to government if income or expenditure significantly alters to that envisaged.	
Medium (9)	<b><u>Business Rate Retention Scheme for local authorities</u></b>	From 01/04/13 the Council will retain 50% in business rate growth (subject to a 50% levey) or if there is a reduction it will have to meet 50% of the loss. The financial risk of growth or decline is now held at a local level rather than smoothed out at a national level. There are many factors outside the authorities direct control that influence this position.	

### Service: Housing

#### Risks

Status	Title	Description	Notes
Low (4)	<b><u>Fraud re housing grants</u></b>	Without appropriate controls on approving	Constant review of the process for grant approvals is in place with

## Medium and low scoring risks (SR & OR)

### Service: Housing

#### Risks

Status	Title	Description	Notes
		grants and monitoring budgets there is risk of fraud and to the Councils finances	manager carrying out final approval process and payments on system. Regular discussions regarding pricing for works and more effective and efficient working processes being explored. Closer working with Finance to ensure improved capital expenditure monitoring.
Medium (8)	<b><u>Home Safeguard system failure</u></b>	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.	
Medium (9)	<b><u>Loss of rental income</u></b>	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.	
Medium (6)	<b><u>Failure of Responsive Repairs contractor</u></b>	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.	Regular contract monitoring and close working with contractors will provide an early alert. The contract allows for emergency arrangements.
Medium (9)	<b><u>New-Build Council Homes</u></b>	The risks associated with being a developer of council homes, especially with regards potential abortive costs, cost overruns, failure to obtain planning permission and loss of	Developer risk will be mitigated by the appointment of a Senior Technical Officer (Assets) and utilising their expertise on any projects we take forward. We attempt to de-risk projects by careful analysis and accurate costings with contingencies.



## Medium and low scoring risks (SR & OR)

### Service: Housing

#### Risks

Status	Title	Description	Notes
		HCA grant.	
Medium (6)	<b><u>A major homelessness incident</u></b>	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.	New Emergency Plan produced and adopted to set a corporate context and response. Some experience in the team in dealing with such incidents. Flooding/weather events probably pose the greatest risk.
Medium (9)	<b><u>Safeguarding Children</u></b>	Failure to notify the responsible authority when staff suspect a child is at risk.	The risk impact level for this risk has been raised this because of all the media attention this area now generates when things go wrong. We have seen a good number of child protection cases where partner agencies are being implicated (not just the fault of Social Services). We have also seen failures that result in the death of a child. We have updated the Safeguarding Children Policy adopted and promoted it internally. We have formed a Devon local authority safeguarding group and are seeing better sharing of information and good practice.
Medium (6)	<b><u>Safeguarding adults</u></b>	A failure to take action when staff suspect a case of abuse of older people having regard to our Safeguarding Older People policy.	
Medium (8)	<b><u>Lone working - Landlord Services</u></b>	Failure to protect staff who are lone working in the community.	
Low (4)	<b><u>Failure to achieve Housing Strategy targets</u></b>	Housing Strategy not being 'fit for purpose' and/or targets and actions contained within the action plan are not delivered, damaging our reputation and the housing opportunities	

## Medium and low scoring risks (SR & OR)

### Service: Housing

#### Risks

Status	Title	Description	Notes
		for residents.	
Low (4)	<b><u>Failure to provide accurate or helpful housing/homelessness advice</u></b>	Erroneous or incorrect housing advice given which could result in a tenant or owners losing their home and/or the Council failing to fulfil its legal duties. This could result in adverse publicity and/or legal action, or an Ombudsman complaint upheld against us.	
Low (2)	<b><u>Maintain a Housing Register</u></b>	Comply with the legislation and guidance in respect of access to housing through a Housing Register.	
Medium (9)	<b><u>Failure to protect against tenancy fraud</u></b>	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.	Audit underway could make recommendations that would improve our processes and actions, reducing risk still further.
Low (4)	<b><u>Fraud re Rent Collection</u></b>	Lack of segregation of officers who create and collect debts gives rise to a potential for fraud.	
Low (3)	<b><u>Lone working - Housing Needs and Strategy</u></b>	Lone Working	
Low (2)	<b><u>Lone Working - Private Sector Housing</u></b>	Lone Working	This is an item that is reviewed through the Team Meetings and one to ones to ensure that the officers are using the system for their own safety. Consideration is being given to the provision of personal safety alarms as identified in the service risk assessment recently updated with the aid of the Health & Safety advisor.
Medium	<b><u>Loans taken out for self-</u></b>	Ability to repay debt on	We have created a Volatility Fund to

## Medium and low scoring risks (SR & OR)

### Service: Housing

#### Risks

Status	Title	Description	Notes
(6)	<u>financing</u>	loans taken out under the self-financing regime introduced by the Localism Act	protect against future problems. The greatest threat at the moment is Welfare Reform and tenants reduction in benefit that prevents them paying their rent.
Low (4)	<u>Right to Buy</u>	Right to Buy sales differ from the predictions in the HRA Business Plan	Right to Buy sales have increased as a result of changes to Government incentives on the level of discount offered potential/eligible purchasers. Sales are monitored closely and reported regularly to the Housing Review Board. Sales numbers are not undermining the Business Plan.
Medium (9)	<u>Unforeseen expenditure on council homes</u>	Unplanned need to spend on repairs and maintenance	We have seen weather related water penetration damage over the past winter. Budget surpluses will allow for a certain amount of unforeseen expenditure.

### Service: Information Technology

#### Risks

Status	Title	Description	Notes
Medium (6)	<u>ICT services and capacity is insufficient to meet corporate needs.</u>	ICT services and capacity is insufficient to meet corporate needs.	Even with Strata there is unlikely to be sufficient capacity to meet all Transformational requirements and change requirements at the speed that the business wants. Prioritisation of resources will need to be applied to ensure the most important things get done. The good news is that the infrastructure changes ie phones, internet access, email etc, will be of the latest technology and better than before
Low (4)	<u>ICT support capability</u>	Capability to provide user support for incidents and service requests.	The new Strata infrastructure and the organisation of the Service Desk will help provide more capacity for support. This will take some time and there may be some upheaval while the new organisation beds in.
Medium (6)	<u>IT Systems meet the Council business needs</u>	IT systems must be procured, developed and managed in order to meet the needs of the service units across the council.	One of the gains from Strata is for service units across the three councils to begin sharing IT systems. The "best" systems will be chosen and the services will then configure them for the best processes. The end result should be better IT for the three

## Medium and low scoring risks (SR & OR)

### Service: Information Technology

#### Risks

Status	Title	Description	Notes
			councils. There is a lot of planning and change before this can be made to happen.
Medium (6)	<b><u>ICT Change Management</u></b>	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.	While the change management processes are established at EDDC they will need to be recreated across the three Councils as part of Strata.
Low (4)	<b><u>Non-availability of key operation centre</u></b>	Through an emergency (fire, flood, equipment breakdown, damage, etc) a key operation centre (or other leased building for which we are responsible) becomes unusable	While the council has a reasonable plan at the moment with an emphasis on using homeworking, the new technology being put in by Strata will improve DR capability hugely as any Council employee will be able to work from any other site belonging to the three Councils.
Low (2)	<b><u>Budget cuts needed in ICT costs</u></b>	Budget cuts	Strata is on the way and plans to deliver the savings needed without significantly reducing service.
Medium (6)	<b><u>Move to a shared service may cause disruption</u></b>	Potential move to an ICT shared service may disrupt the service	The change to a single IT infrastructure will result in some disruption, not least because new technology such as Lync will be employed and users will need to learn how to use it.

### Service: Electoral Services

#### Risks

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

### Service: Legal, Licensing and Democratic Services

#### Risks

Status	Title	Description	Notes
Medium	<b><u>Failure to comply with</u></b>	Failure to implement adequate processes and/or	

## Medium and low scoring risks (SR & OR)

### Service: Legal, Licensing and Democratic Services

#### Risks

Status	Title	Description	Notes
(6)	<u>constitutional and legal requirements</u>	obtain sufficient resources to ensure legislative compliance.	
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 develop, support and train elected and co-opted councillors</u>	Members fail to carry out their representative, executive or regulatory functions effectively with the potential for legal challenge, financial and reputational loss.	
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.	
Medium (9)	<u>Missed court or tribunal deadlines</u>	Missed court or tribunal deadlines resulting in court directions, deadlines or dates are overlooked.	
Medium (6)	<u>Failure to best protect the council's legal interests in litigation and/or non contentious work</u>	Failure to advise on appropriate tactics and/or possible outcomes.	
Medium (6)	<u>Failure to support ethical governance and standards within the council and parish councils</u>	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.	
Medium (6)	<u>Licensing function not functioning effectively</u>	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.	
Medium (6)	<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 by the authority.	
Medium (9)	<u>Major Changes in Localism Act not implemented lawfully</u>	Major Changes in Localism Act not implemented lawfully	
Medium (6)	<u>Inadequate resources in the legal service</u>	Inadequate resources on the legal service to meet the workload	
Medium (8)	<u>Ability to respond to single issue pressure groups</u>	Our ability to respond to single issue pressure groups as financial resources further constrict	

### Service: Org Dev

## Medium and low scoring risks (SR & OR)

Service: Org Dev

Risks			
Status	Title	Description	Notes
Low (4)	<u>Absence management</u>	Loss of productivity and adverse impact on colleagues and customers through high staff absence.	
Low (4)	<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 (4)	<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 pay the right people, the right salary on time</u>	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.	
Low (4)	<u>Failure to meet statutory duties in relation to payroll</u>	Failure to comply with statutory duty to submit all documentation relating to tax, national insurance, pensions and end of year documentation.	
Low (3)	<u>Failure to process information in accordance with FOI and Data Protection legislation</u>	Failure to process information requests in accordance with legislation relating to Data Protection and Freedom of Information can lead to financial fines as well as risk to reputation.	
Low (1)	<u>Failure to manage and monitor organisational performance may compromise the Council's reputation</u>	A failure to monitor performance may result in customer complaints, poor service delivery and may compromise the Council's reputation. Need to ensure that organisational performance is monitored internally using a range of leading and lagging performance measures.	
Medium (6)	<u>Failure to ensure community engagement</u>	The Council needs to ensure community engagement to deliver our vision of 'outstanding and sustainable quality of life for everyone in East Devon'.	
Low (4)	<u>Failure to properly administer the Local Government Pension Scheme</u>	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.	
Medium (6)	<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.	
Medium (6)	<u>Industrial Action</u>	Industrial action relating to pension reform	
Low (4)	<u>Staff engagement and morale</u>	Staff engagement and morale	

## Medium and low scoring risks (SR & OR)

Service: Org Dev

### Service: Strategic Risks

#### Risks

Status	Title	Description	Notes
Medium (8)	<b><u>The right people in the right place at the right time</u></b>	The council fails to recruit, retain, plan and effectively manage staff resources at a level and skill which is adequate to meet its key priorities and service requirements resulting in service failure.	Some areas continue to be difficult to recruit to due to location and high house prices as well as a dearth of skills nationally and competition with the private sector.
Medium (8)	<b><u>Business failure of a major contractor or significant partner</u></b>	Failure of a major contractor to delivery key services in accordance with the specification /service level agreement or a significant partnership fails through a legal, financial, reputational, relationship or governance issue resulting in service failure.	
Medium (8)	<b><u>Adequacy of financial resource planning to deliver the Council's priorities</u></b>	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	
Medium (6)	<b><u>Service provision jeopardised through unexpected major loss of income</u></b>	The Council suffers an unexpected major and irrecoverable loss of income (e.g. loss of government grant/subsidy or lower investment return due to lower interest rates)	
Medium (8)	<b><u>Major disruption in continuity of computer and telecommunications services</u></b>	Major disruption in continuity of computer and telecommunications facilities to the detriment of service delivery	Strata will introduce more resilient and secure systems . It will also introduce a new form of desktop delivery which is easier to use from other sites in the event of a disaster. This is in the planning stage with implementation due in late 2015
Medium (6)	<b><u>Security of information is</u></b>	Failure to safeguard and protect critical data or IT systems with the risk	The risks are ever changing and we need to



## Medium and low scoring risks (SR & OR)

### Service: Strategic Risks

#### Risks

Status	Title	Description	Notes
	<b><u>compromised</u></b>	that it could be permanently lost, damaged, misused or stolen.	keep pace, both with IT systems and also procedural protections. Strata will both improve the technical capability but will also increase the risk likelihood for a period until the systems settle down.
Medium (6)	<b><u>The right ICT and technology available in the right place at the right time</u></b>	Failure to ensure ICT investment in applications and hardware meets the computer and communications needs of users, both internal and external resulting in service failure.	Strata has introduced good potential for improvements but this comes with additional risk. SMT at the 3 councils must understand what they are asking of Strata and Strata must develop plans to deliver the maximum possible benefits from the convergence of teams and technology.
Medium (6)	<b><u>Failure to meet a specific legal or ethical obligation upon EDDC</u></b>	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.	
Medium (8)	<b><u>Adequate emergency planning and business continuity</u></b>	A failure to adequately plan for emergencies and understand what issues arise in planning for business continuity could lead to a major service failure.	Emergency Plan has been updated in 2013. Services have experience in dealing with emergencies. Warning system tried and tested.
Medium (8)	<b><u>Failure of members to observe their Code of Conduct</u></b>	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	
Medium (9)	<b><u>Failure to ensure we have an agreed Local Plan</u></b>	Failure to ensure we have an agreed Local Plan would affect our ability to deliver the appropriate levels of new homes and employment opportunities through land allocations across the	The Local Plan Inspector has not approved our Local Plan and further information to be provided by us prior to



## Medium and low scoring risks (SR & OR)

### Service: Strategic Risks

#### Risks

Status	Title	Description	Notes
		district. Furthermore the absence of an up to date local plan inhibits our ability to deliver optimal sustainable development for the District infrastructure and the Council's growth and redevelopment plans across the district. This could result in unplanned development and affect the economic viability of the district.	reconvening the inspection process
Medium (6)	<b><u>Office Relocation</u></b>	Not relocating 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.	

**CONFIDENTIAL****Office Relocation Project – Risk Review September 2014**

1. Risk Management is the process of assessing and mitigating the strategic risks that a Project faces in seeking to achieve its aims and objectives. It is essentially a Management Tool to assist projects to plan ahead successfully and avoid unpleasant surprises. It is, therefore, concerned with the breadth and depth of issues surrounding the project from strategic obstacles to day to day operational issues

Since the commencement the Project Manager has provided and been responsible for a live Project Risk Register document. The Risk Register is regularly reviewed and updated as necessary following weekly discussions between Mr Richard Cohen and the Relocation Manager, and with the Executive Project Board and Relocation Officer Working Group on a monthly basis. In addition, the document is also updated on an ad hoc basis when a new risk becomes apparent or an identified risk is no longer applicable.

2. The latest Risk Review was carried out following the Relocation Officer Working Group meeting of 18 September 2014, and the Risk Register was updated accordingly.
3. Risks are identified under three categories;
  - Red Risks – . Medium to long-term effect and expensive to recover
  - Orange Risks –. Medium term effect, which may be expensive to recover.
  - Blue Risks –. Short to medium term effect

The current Risk Register is Rev O and there are currently 42 Open Risks (previously 38), comprising of 8 Red Risks (9), 26 Orange Risks (22) and 8 Blue Risks (7)

4. Whilst by its nature the contents of the Risk Register are confidential, since it identifies potential project vulnerabilities and management actions to mitigate and / or manage the particular risks, it can be confirmed that the following risks among others have been identified:
  - Market conditions
  - Government legislation
  - Staff Matters
  - Information technology and associated matters.
  - Potential for additional unplanned maintenance being incurred whilst EDDC remains at Knowle
  - Matters associated with the marketing and bidding process of Knowle and Manstone.
  - Matters affecting asset value and Project cost
  - Legal objections to the Council's relocation

**Report to:** Audit and Governance Committee  
**Date of Meeting:** 20 November 2014  
**Public Document:** Yes  
**Exemption:** None



**Agenda item:** 12

**Subject:** Housing Land Supply Update

**Purpose of report:** This report provides members of the Audit and Governance Committee with an update on ongoing housing work. It advises of:

- a) Projected high levels of future housing development;
- b) Programmed improvements to ICT systems;
- c) Funding for a new post; and
- d) Future key areas of work.

**Recommendation:** Committee note the ongoing work.

**Reason for recommendation:** To keep members informed of progress being made.

**Officer:** Matthew Dickins, Planning Policy Manage, 01395 571540,  
[mdcikins@eastdevon.gov.uk](mailto:mdcikins@eastdevon.gov.uk)

**Financial implications:** Government grant of £40,000 has been received and a further £10,000 is expected next year. This will pay for a fixed term (presumably) Housing Delivery Officer.

**Legal implications:** There are no legal implications identified within the report

**Equalities impact:** Low Impact  
No specific equalities issues are identified.

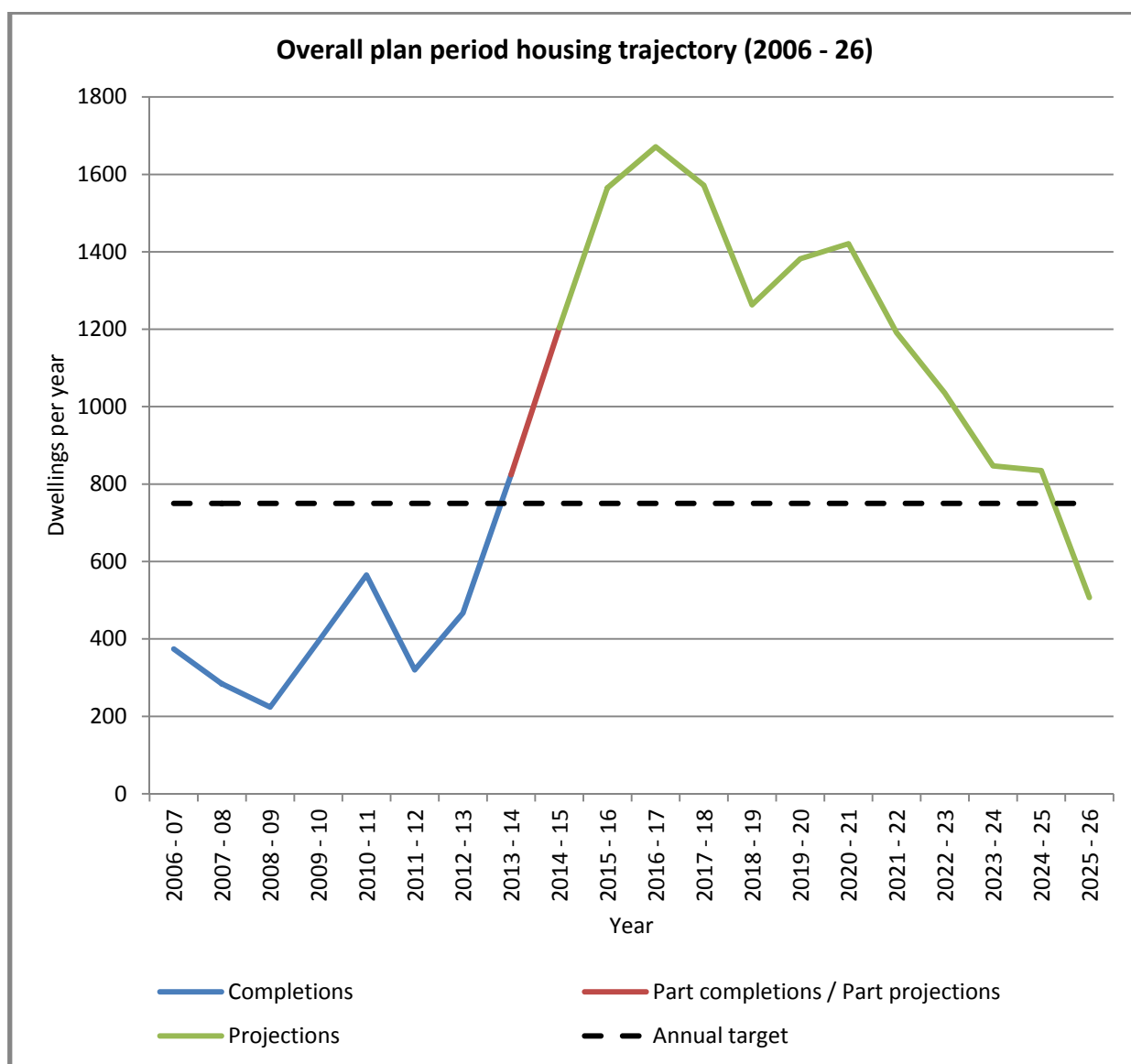
**Risk:** Low Risk  
No specific risk issues are identified.

**Links to background information:** • No background documents are referred to.

**Link to Council Plan:** Living in this outstanding place.

## 1 Housing supply

- 1.1 Over recent months there has been a significant number of planning permissions granted for new residential development and starts occurring on site; further starts are predicted in the coming months. Set out below is a graph showing the number of houses that could be built on land that is available for development. Predicted rates of development align with specific information provided by site owners, agents or developers or where this information is not available build rates applied align with the completion methodology of the Strategic Housing Land Availability Assessment panel.
- 1.2 The graph shows past actual build rates since 2006 and projected development (at 30 September 2014) looking forward to 2026. No adjustment is made for any possible changes to the local plan that could provide for greater or different levels of future development. The graph also shows, dashed line, annual requirements as set out in the local plan that is subject to examination at the present time – at an annual average of 750 dwellings per year.



- 1.3 The graph shows that from 2006/07 through to 2012/13 completions fell below the 750 homes per year level. But year end monitoring at 31 March 2014 showed for 2013/14 that

completions exceeded the 750 per year position and that projected completions for the coming years rise very substantially. Of greatest significance to the increase has been development at Cranbrook.

- 1.4 It is relevant to note that the Council can grant permissions, ensure land is available and encourage development, but the Council has limited ability to make or require development to happen (other than in exceptional cases, for example where the Council itself is the developer). Any projections therefore are based on the availability of sites rather than being a statement of what the house building industry will build.
- 1.5 Whilst we can make assessment of future projected development we cannot at this stage undertake a new formal five year supply assessment as a new housing requirement figure is still to be calculated.
- 2 On-going work on establishing housing requirements
  - 2.1 There are two key component parts to undertaking five year land supply assessment:
    - a) The first is understanding the projected supply of housing, this is detailed above; and
    - b) The second is quantifying the need for housing and on this second issue work is ongoing.
  - 2.2 Whilst we have previously had a plan target for 2006 to 2026 of 750 homes a year there is a new Strategic Housing Market Assessment (SHMA) in production and this will establish an objectively assessed housing requirement. It is this new requirement figure, as yet unknown, that will need to feature in future assessment. Previously used requirements as set out by the draft RSS (17,100 – over 20 years) and the new Local Plan as submitted for examination (15,000 and over 20 years) have been dismissed as not being up to date evidence based figures and so until we have a final figure emerging from the SHMA and new calculations are done, it is appropriate to assume that we do not have a five year land supply at present, but an actual calculation is not possible.
- 3 Improvements to ICT systems
  - 3.1 In the new year work will commence on amendments to ICT systems (Uniform) so that recording and managing information on housing developments is better organised and systems are more suited to allow for ongoing and regular monitoring and information handling. This should make it far easier to understand development processes and land supply considerations.
- 4 Government grant aiding for delivery post
  - 4.1 The Council has secured Government grant aid with the intent that money awarded will be the key input into securing a housing delivery officer post. The new post will be involved in monitoring and information collection and assessment as well as actively engaging with the development industry.

## 5 Future understanding of housing development

5.1 On the basis of initiatives to date and ongoing work, we will, through system improvements and extra staff be able to place a greater onus on:

- pro-actively encouraging and supporting development;
- working with developers; and
- having better information and recording systems.

5.2 Outputs from system improvements will allow us to more fully understand:

- who develops,
- why they develop,
- what they develop,
- where they develop, and
- what rates they develop at.

Knowledge around these issues will allow us to more fully understand factors that can lead to more consistent high quality development.

5.3 Looking forward it would also be good, as well, to understand more about the consumer side of the housing equation – the wants, needs and aspirations of those that live in new homes. Any work of this nature (and for example Cranbrook questionnaires are a really useful resource) would present information to compare against outputs generated from the SHMA and housing supply assessment work.

## Agenda Item: 14

Audit and Governance Committee

20 November 2014



### Audit and Governance Committee

#### Forward Plan 2014/15

<b>Date of Committee</b>	<b>Report</b>	<b>Lead Officer</b>
15 January 2015	<ul style="list-style-type: none"><li>• Internal Audit Activity – Quarter 3 2014/15</li><li>• Audit Committee update</li><li>• Certification Report</li><li>• Office relocation project update</li><li>• Risk management review</li></ul>	SWAP SWAP Grant Thornton SWAP Management Information Officer
12 March 2015	<ul style="list-style-type: none"><li>• Annual Audit Plan 2015/16</li><li>• Audit Plan</li><li>• Audit Committee update</li><li>• Office relocation project update</li><li>• Risk management review</li></ul>	SWAP Grant Thornton Grant Thornton SWAP Management Information Officer