



Uttlesford District Council

Chief Executive: Dawn French

Governance, Audit and Performance Committee

Date: Thursday, 28th September, 2017

Time: 7.30 pm

Venue: Committee Room - Uttlesford District Council, Council Offices, London Road, Saffron Walden, Essex CB11 4ER

Chairman: Councillor E Oliver

Members: Councillors G Barker, J Davey, M Foley, J Gordon, N Hargreaves, S Harris, D Jones (Vice-Chair), G LeCount and B Light

Substitutes: Councillors A Anjum, A Dean, J Freeman and M Lemon

Public Speaking

At the start of the meeting there will be an opportunity of up to 15 minutes for members of the public to ask questions and make statements subject to having given notice by 12 noon two working days before the meeting.

AGENDA PART 1

Open to Public and Press

1 Apologies for Absence and Declarations of Interest

To receive any apologies for absence and declarations of interest.

2 Minutes of the Previous Meeting

1 - 8

To consider the minutes of the previous meeting.

3 Polling District Review

9 - 28

To consider the polling district review.

4	Ombudsman Annual Review 2016-17	29 - 40
	To consider the ombudsman annual review.	
5	Revised Internal Audit Strategy and Programme 2017-18	41 - 64
	To consider the revised internal audit strategy and programme.	
6	Internal Audit Progress Report	65 - 72
	To consider the internal audit progress report.	
7	GAP Annual Audit Letter 2016-17	73 - 100
	To consider the GAP annual audit letter.	

MEETINGS AND THE PUBLIC

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The agenda is split into two parts. Most of the business is dealt with in Part I which is open to the public. Part II includes items which may be discussed in the absence of the press or public, as they deal with information which is personal or sensitive for some other reason. You will be asked to leave the meeting before Part II items are discussed.

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Agenda Item 2

GOVERNANCE, AUDIT AND PERFORMANCE COMMITTEE held at COUNCIL OFFICES LONDON ROAD SAFFRON WALDEN at 7.30pm on 27 JULY 2017

Present: Councillor E Oliver (Chairman)
Councillors A Dean (substituting for M Foley), J Gordon, D Jones, N Hargreaves and B Light.

Officers in attendance: D French (Chief Executive), R Auty (Assistant Director Corporate Services), S Bronson (Audit Manager), P Evans (Leisure and Performance Manager), B Ferguson (Democratic Services Officer), E Horner (Finance Manager) and A Webb (Director of Finance and Corporate Services).

Also Present: Councillor S Howell (Cabinet Member for Finance and Administration), M Hodgson (Executive Director - EY) and J Wardle (Audit Manager - EY).

GAP11 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors Barker, Davey and Foley. Councillor Dean was substituting in the place of Councillor Foley.

Councillor Dean said he would be abstaining on the vote regarding the Statement of Accounts as had not received a paper copy of the document.

GAP12 MINUTES

The minutes of the meeting held on 18 May 2017 were received and signed by the Chairman as a correct record.

GAP13 AUDIT RESULTS REPORT 2016-17

Councillor Hargreaves entered the meeting at 7.35pm.

Mark Hodgson, Executive Director (EY) presented the findings of the 2016/17 Audit. He was pleased to report UDC had completed the accounts by the 31 July, and thanked the Director of Finance and Corporate Services and his team for achieving that deadline.

He highlighted the Value for Money section and told members he was comfortable with the risks involved in establishing a holding company (Aspire) and its three subsidiaries, because effective and efficient governance arrangements had been put in place.

Mr Hodgson highlighted the misstatement relating to the 'Draft Comprehensive Income & Expenditure Statement', which had incorrectly included internal

recharges. He explained this was a 'netting' issue and had been corrected by management, which had reduced both income and expenditure by £21.294 million. This had not impacted on the bottom line.

Members were given a 'summary of unadjusted differences' that officers had chosen not to amend in the 2016/17 accounts. These were (i) Understatement of Property, Plant and Equipment by £133,000 compared to the external Valuer's report; (ii) and the cash flow statement balanced by an unresolved balancing item of £178,000. In response to a question from the Chairman, it was explained that these sums were relatively small. Mr Hodgson said the differences would have no impact on the ability of the auditors to sign off the statement of accounts for 2016-17.

The Director of Finance and Corporate Services gave a brief summary of the audit. He said it had been done quickly and professionally and thanked the audit team for their good work. The process had been helped by the fact that EY had the same team of people working on the audit for the second consecutive year.

Councillor Dean commended all involved in the audit. He asked what signs the auditors would be looking for if there were risks to the Council's financial health, specifically with regards to Aspire. Mr Hodgson said his team were looking for a clear audit trail, demonstrating thought processes, expertise and transparent due diligence to ensure the council was not breaching legal standards as a company or as a Local Authority.

GAP14

STATEMENT OF ACCOUNTS 2016/17

Councillor Howell as Cabinet Member for Finance and Administration was present for the signing of the accounts.

The committee considered the Statement of Accounts for 2016/17, the document which had informed the audit report. It was considered in the context of the findings presented in the audit results.

Councillor Jones asked a question relating to the Housing Revenue Account (HRA) and the increase in spending on Supervision and Management costs for 2016-17. In response, the Finance Manager said this increase was immaterial and was due to changes with regards to how the revenue stream was presented. The Chairman added that the figure in question was relatively small in terms of the overall HRA financial statement.

Councillor Hargreaves asked a question relating to the Collection Fund Income and Expenditure Account, specifically with regards to the 'Business Rates:- Provision released into Collection Fund' expenditure line which stated £8.738,000 had been spent. The Director of Finance and Corporate Services explained this was primarily due to a council tax refund granted to Stansted Airport on appeal.

Councillor Hargreaves said the assertion *'the Council retains a 40% share of the total business rates...this equates to a net income of £2.95 million after tariff and levy payments,'* was unhelpful as it did not explain where the remainder of the business rates were spent. The Director of Finance and Corporate Services said next year the report would be worded in such a way to help clarify the Council's position and to avoid any confusion.

In response to a question from Councillor Light, the Director of Finance and Corporate Services gave a brief overview of the workings of Aspire Holdings (UDC) Ltd and its three subsidiaries. Aspire Property and Management Ltd had been trading since the 1st April and had been carrying out work for a local charity. Both Aspire Rentals Ltd and Aspire Land Development Ltd were both dormant for the time being. He confirmed these would be included in the group accounts next year.

RESOLVED TO

- 1 Approve the Letter of Representation as attached to the report.
- 2 Approve the audited 2016/17 Statement of Accounts as presented with the report.

The Chairman commended officers and the team at EY for their work in achieving these results.

The meeting adjourned for the signing of the accounts at 7.55pm. Mr Hodgson and Ms Wardle left the meeting and the Chairman recommenced proceedings at 8.00pm.

GAP15

INTERNAL AUDIT PROGRESS REPORT

The Internal Audit Manager reported on the work undertaken by Internal Audit since she last reported to the Committee. She gave a summary of the outstanding reports from 2016-17 and told members she hoped to have these finished by 31 August.

The Internal Audit Manager told members of the forthcoming change to the Internal Audit staffing situation, as she had been appointed to lead the project group for the implementation of the General Data Protection Regulations in May 2018, which would take 4 out of 5 working days a week. Arrangements would be put in place to provide adequate cover and to ensure the quality of internal audit work was maintained. She said the Internal Audit Strategy and Work Programme for 2017/18 would be revised to reflect these changes and would be brought to the next meeting for the consideration of members.

In response to a question from Councillor Dean, the Internal Audit Manager said a change had been introduced with regards to fuel management for the Council's fleet. The report issued was in fact a follow up audit, taken to ensure the recommendations within the original report were being implemented and to

assess their effectiveness. The Internal Audit Manager was pleased to say that these recommendations were being followed.

Councillor Dean asked if the 'Plan Car Parking Partnership' audit had been completed, as the Scrutiny Committee had been in dialogue with the parking partnership and had put forward a number of changes. The Internal Audit Manager said it was still to be carried out and she was aware that the Scrutiny Committee had looked at this programme.

The Chairman asked a question relating to missed bin collections and if this was primarily due to the reliability of the fleet. The Director of Financial and Corporate services said this was part of the problem and Street Services were addressing this by changing the way in which fleet vehicles were procured. Going forward, instead of the whole fleet being replaced at once, vehicle procurement would be 'staggered', to ensure the life cycles of the vehicles did not come to an end simultaneously.

In response to a question from the Chairman, the Chief Executive said a report could be brought to the committee, detailing the situation of Street Services, issues affecting their performance and the plans that would be put in place to rectify identified problems. The Chairman agreed it would be helpful if such a report could be brought to the committee.

Councillor Light asked the Internal Audit Manager how she would manage the workload when she moved on to lead the project group in May. The Internal Audit Manager said it would be a matter of team management and planning, and a revised work programme would be brought to the next committee meeting.

GAP16

REVISION OF THE CONSTITUTION: DEFINITION OF KEY DECISION

The Chief Executive presented the report on revising the definition of a key decision within the Uttlesford constitution. As 28 days public notice had to be given in advance of a vote on a key decision, this was of statutory importance. Redefining the definition of a 'key decision' would make it clearer for officers, members and the public, and would ensure key decisions were 'flagged' up 28 days in advance of a vote. The Council would therefore become more transparent and consistent in its decision making process.

Councillor Light welcomed the change as it demonstrated openness and democratisation. The Chief Executive said the Council already published key decisions on its website but this revision would make the process more consistent.

Councillor Light asked why the threshold had been set at £500,000 for decisions involving the acquisition or disposal of land, when other local authorities had a lower limit. The Chief Executive said they had looked at neighbouring authorities, some of whom had not updated their own definition for some years, but had also taken a practical approach to minimise bureaucracy

and not to diminish the impact of a key decision if the council set the threshold too low.

Councillor Hargreaves asked why there was a distinction between the acquisition or disposal of land and property (a threshold of £500,000), and any other expenditure or saving (a threshold of £100,000). The Chief Executive said this was primarily due to the cost of land and property, as there were not many purchases under £500,000. Expenditure on machinery, goods and services, where budget provisions had already been made, would not be defined as a key decision.

Councillor Jones said the monetary values being discussed were common expenditures in the public sector and he was wary of burdening the decision making process with further bureaucracy. The Director of Finance and Corporate Services reminded members this was only a redefinition of what constituted a 'key decision'. Decisions would still need to be passed through Cabinet or Council, and this would help apply a consistent approach to what was deemed 'key'. It would have no quantitative effect on the number of decisions considered by Cabinet or Council.

Councillor Dean said he was aware of previous occasions where notice had not been given on decisions, including on two decisions that went to Cabinet in July. The Chief Executive said this was due to the General Election workload and timing issues outside of the Council's control. Mitigating actions had been pursued, including notifying the Chairman of Scrutiny Committee and asking for his consent to take those items to Cabinet.

RESOLVED to recommend to Council that the proposed definition of 'key decision' is approved as set out in the appendix of the report.

GAP17 HEALTH AND SAFETY UPDATE

The Director of Finance and Corporate Services presented the report for the Committee's information, which he said presented a good picture of Health and Safety at the Council through 2016-2017.

Whilst the majority of the report was well received, members expressed concern over the rise in aggressive incidents. Members were told that 9 of 13 aggressive incidents were carried out by the same perpetrator and he had been taken to court. It was also stressed that on no occasion was it a member of staff who had initiated the aggression and staff were being encouraged to report abuse. Councillor Dean asked if members were aware of the procedures around reporting abuse. The Chief Executive said the personal safety advice that had been previously issued to members would be circulated in a members' bulletin.

GAP18 QUARTER 1 PERFORMANCE INDICATORS 2017-18

The Assistant Director Corporate Services presented the report on the Key Performance Indicators (KPIs) and Performance Indicators (PIs) for quarter 1 2017/18.

The general trend was positive, with KPI 01, KPI 05, and KPI 06a highlighted in particular for their continued good performance.. KPI 06b had not met its target but this was due to work by a third party affecting the overall result. Planning KPIs 12 and 13 had not met their targets but were still within national levels.

Councillor Dean highlighted PI 21 and asked why some minutes from meetings were not being made public within the 10 working days target. The Chief Executive said this was due to the local election in May and the snap General Election in June, which had caused a high workload for the department, as well as two new members of staff joining the team. In future she expected this indicator to improve as the team got back to full capacity.

GAP19 RISK MANAGEMENT POLICY

The Leisure and Performance Manager presented the report on the revised Risk Management Policy and new Corporate Risk Register.

The Leisure and Performance Manager said she and the Assistant Director of Corporate Services had attended a training course with leading risk management practitioners Amberwing, and this had changed the way in which they were thinking about Risk Management Policy.

Following a review of risk management, key changes to the policy included:

- Creating a Risk Appetite Statement
- A new format for describing risks
- Better definitions of likelihood and impact
- A new, easier to read format for the Corporate Risk Register
- The identification of both current controls and further action required to mitigate each risk
- The inclusion of a completion date for those further actions

To progress the policy, work would be carried out with service managers to formalise the day-to-day risk management they were already undertaking.

The Assistant Director of Corporate Services added these changes would help the committee to carry out its functions, such as the inclusion of a completion date for outstanding actions, and an easier to read format.

The Chief Executive and Chairman expressed their thanks to both the Leisure and Performance Manager and the Assistant Director of Corporate Services, and said their work had been transformational with regards to the Council's risk management policy.

RESOLVED that the revised Risk Management Policy be approved as set out in the appendix of the report.

The meeting ended at 8.55pm.

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Committee: Governance, Audit and Performance

Agenda Item

Date: 28 September 2017

3

Title: Review of Polling Districts and Places

Author: Peter Snow, Democratic and Electoral Services Manager, 01799 510430

Item for decision:
yes

Summary

1. This report seeks members' approval to conduct an interim review of polling districts and polling places within the Uttlesford District. A timetable is also included for approval.
2. An interim review of polling arrangements is needed because of uncertainty about some of the polling place venues designated in the polling scheme agreed from 1 December 2014 and subsequently revised on 25 February 2016. As at least one change has been enforced by the unavailability of the designated building and circumstances forced another change in 2015 without a full review process being undertaken, it is now appropriate to undertake an interim review to provide proper accountability for those changes and any further ones needed.
3. The next statutory review is not due to take place until the period beginning on 1 October 2018 and ending on 31 January 2020. A full review will be needed in any case before the ordinary district and parish elections due in May 2019.
4. An interim review can be carried out at any time depending on circumstances.

Recommendations

5. Approve the timetable and terms of reference for the polling review as set out in the report.

Financial Implications

6. The review will be carried out by the Democratic and Electoral Services team within the available budget.

Background Papers

7. All papers referred to by the author in the preparation of this report are already published and are widely available.

Impact

- 8.

Communication/Consultation	Full public consultation will be carried out
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	as part of the statutory review process
Community Safety	N/A
Equalities	There is a requirement to take account of the need for full accessibility in the buildings selected for polling
Health and Safety	The consideration of safety issues is included in the review process
Human Rights/Legal Implications	Rules set out in legislation must be followed in designating polling arrangements
Sustainability	N/A
Ward-specific impacts	Selected wards but potentially all of them
Workforce/Workplace	N/A

Situation

9. By law the Council is required to review UK Parliamentary polling districts and places every five years. The Council can review only those parts of the Saffron Walden Constituency included within the Uttlesford district and the same polling arrangements are then used for all other elections – county, district, parish and all referendums.
10. A polling district is a geographical area created by the sub-division of a Parliamentary constituency. In England, each parish must be a separate polling district but where the parish includes more than one ward (or parish ward) the polling district must not cross the ward boundary. For reasons of practicality, it is sensible to ensure that a single polling district does not include more than 3,000 electors.
11. A polling place is the building or area within each polling district in which polling stations will be located by the Returning Officer. A polling place within a polling district (small enough to be readily identified), must be designated so that polling stations are within easy reach of all electors from across the polling district.
12. The duty to designate polling places means taking into account the convenience of electors living in the area and to ensure compliance, as far as is practicable, with the accessibility needs of disabled electors.
13. The polling areas needing to be reviewed in the immediate future are –
 - Little Dunmow – Community Meeting Room (remote from the village centre along an unlit country lane)

- Chrishall – Old Village Hall (attached to the school and a new village hall is now available)
- Saffron Walden Audley South (the Friends School – renamed as Walden School – is now closed but had anyway decided not to host polling facilities from the beginning of 2017; the Council Offices site at London Road was used as the polling place location by default for the two polls in 2017 but has never been formally designated by the Council; the County High School is a potentially viable alternative as there are complications involved in using London Road and there may be other options)
- Saffron Walden Castle East (a mobile unit at the Homebase retail site was designated as the polling place in 2016 after the withdrawal of permission by the Dame Bradbury’s School to use the school site; the Homebase site was designated as an emergency measure without a full review process having been undertaken; the use of a mobile unit is clearly not ideal but the alternatives are limited; a further proper review is needed to explore and confirm the best arrangement for electors)
- Saffron Walden Castle West (Councillor R Freeman has questioned the use for polling of St Mary’s School in Castle Street on the grounds of inconvenience and disruption to parents and children attending the school; for that reason it is necessary to explore what alternatives might be available)
- Stansted North - St John’s Church Hall (the owners of the building have cast doubts on the continued use of the hall for election purposes as they have encountered some resistance from regular users)
- Great and Little Sampford – Baptist Church Hall, Great Sampford (it is understood the church hall is likely to be refurbished or redeveloped at some stage and it is not presently clear whether it will continue to be available for election use in future years)
- There may be others needing to be reviewed depending on the response received to the review.

14. At this stage it seems unlikely that any proposals will be made to change polling district boundaries. That would have an impact on the layout and composition of the Register of Electors and it would prove difficult to schedule the required changes in time for publication of the revised register by the required date of 1 December.

15. Nevertheless, population growth affecting a number of polling districts such as Elsenham, Saffron Walden Shire North, Stansted South, Takeley and Thaxted make it probable that some changes may be needed in the slightly longer term. For example, the electorate in Saffron Walden Shire North has already breached the 3,000 figure mentioned earlier in the report and there is further development taking place in the north of the polling district area near the Tesco store.

16. It is suggested that this interim review concentrates principally on designating suitable polling places for the polling districts mentioned in paragraph 13, leaving any more fundamental changes to the statutory review taking place after 1 October 2018.

17. The proposed timetable for the conduct and completion of the review is as follows –

- Monday 2 October - publish notice of the start of the review setting out the terms and scope of the review allowing four weeks for comments and alternative proposals to be received. All councillors will be consulted directly as will political parties, parish and town councils, the Acting Returning Officer and of course the public generally. The final date for the receipt of representations is proposed to be Monday 30 October.
- Where time permits, visits will be made to existing and potential polling venues to evaluate and assess the suitability of the facilities set against a range of criteria outlined in the Representation of the People Act 1983 (Schedule A1) and in Electoral Commission guidance.
- All representations received will be taken into account in drawing up proposals for changes to be made to the existing scheme. Representations must be published on the website within 30 days of receipt.
- Prepare a final set of proposals for designated polling districts and polling places and a draft decision notice to be submitted for approval to the Governance, Audit and Performance Committee meeting on 16 November 2017.
- Once approved under delegated powers, the revised scheme of polling districts and polling places will then be published taking effect as from 1 December 2017, together with the statement of reasons for those proposals.

18. The existing scheme is attached to this report for information.

19. Members are invited to agree the timetable and broad terms of reference for the review as outlined in this report.

Risk Analysis

20.

Risk	Likelihood	Impact	Mitigating actions
2 – there is a risk that existing polling arrangements will	2 – it is necessary to review polling arrangements	3 – if the existing scheme is not reviewed and	Carry out an interim review of those areas where concerns are known to exist so that

not meet the needs and expectations of the public if they are not reviewed before the next statutory review is due to take place	in some areas as specified in the report to prevent them proving inadequate at future elections	any necessary changes put in place there is a danger of confusion leading to reduced turnout at future elections	all interested parties including the general public have an opportunity to suggest suitable polling arrangements
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1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

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Scheme of Polling Districts and Polling Places in the Uttlesford District (included wholly in the Saffron Walden Parliamentary Constituency and the Eastern Region for European election purposes) to be applied from 1 December 2014 (as revised on 25 February 2016)

The polling district will consist of the whole of the parish named unless otherwise stated.

PD ref	Ward	Polling District	County Electoral Division	Parish/ ward	Polling place and definition of polling district boundary where applicable
AAA	Ashdon	Ashdon	Thaxted	Ashdon	Ashdon Village Hall
AAB	Ashdon	Hadstock	Thaxted	Ashdon	Hadstock Village Hall
AC	Ashdon	Little Walden	Saffron Walden	Saffron Walden Little Walden Ward	Little Walden Village Hall <i>The polling district will consist of that part of Saffron Walden parish included in Ashdon ward.</i>
AAD	Ashdon	Sewards End	Thaxted	Sewards End	Sewards End Village Hall
ABA	Broad Oak & the Hallingburys	Great Canfield	Dunmow	Great Canfield	Great Canfield Village Hall
ABB	Broad Oak & the Hallingburys	Great Hallingbury	Dunmow	Great Hallingbury	Great Hallingbury Parish Hall
ABC	Broad Oak & the Hallingburys	Hatfield Broad Oak	Dunmow	Hatfield Broad Oak Village ward	Hatfield Broad Oak Village Hall <i>The polling district boundary will divide the parish of Hatfield Broad Oak as described below: A line commencing on the western boundary of the parish, north of Wall Wood, then following the road from Lodge</i>

PD ref	Ward	Polling District	County Electoral Division	Parish/ ward	Polling place and definition of polling district boundary where applicable
ABC cont.	Broad Oak & the Hallingburys cont.	Hatfield Broad Oak cont.			<i>Farm in a southerly direction towards Forest Hall to meet a footpath eastwards to join the road from Forest Hall Farm to Doodle Oak, then following the road for a short distance before going in a south-easterly direction along a footpath to a junction of the path on the western boundary of Barrington Park, then along the line of a footpath going north and then east to meet the road from Hatfield Broad Oak to Takeley south of Green Hill, then in a straight line in a north-easterly direction to the parish boundary. Hatfield Broad Oak polling district will consist of that part of the parish lying to the south of the boundary as defined.</i>
ABD	Broad Oak & the Hallingburys	Bush End	Dunmow	Hatfield Broad Oak Bush End ward	The Ancient Foresters, Bush End, Takeley <i>Bush End polling district will consist of that part of Hatfield Broad Oak parish lying to the north of the boundary line as defined under ABC Hatfield Broad Oak above.</i>
ABE	Broad Oak & the Hallingburys	Little Hallingbury	Dunmow	Little Hallingbury	Little Hallingbury Village Hall
ACA	Clavering	Arkesden	Saffron Walden	Arkesden	Arkesden Village hall
ACB	Clavering	Clavering	Stansted	Clavering	Clavering Village Hall
ACC	Clavering	Langley	Saffron Walden	Langley	Langley Community Centre, Langley Upper Green

PD ref	Ward	Polling District	County Electoral Division	Parish/ ward	Polling place and definition of polling district boundary where applicable
ACD	Clavering	Wicken Bonhunt	Stansted	Wicken Bonhunt (parish meeting only)	St Margaret's Church, Wicken Bonhunt
ADA	Debden & Wimbish	Debden	Thaxted	Debden	Debden Memorial Hall
ADB	Debden & Wimbish	Wimbish (Carver Barracks)	Thaxted	Wimbish	The Community Hall, Carver Barracks <i>The polling district boundary will consist of that portion of Wimbish parish west of a line running from the north-east corner of Rowney Wood to a point on Thaxted Road immediately east of Myco House, then running in a generally northerly direction in a straight line immediately to the east of Parsonage Farm/Gosia's Grange and then to the ward boundary east of Tiptofts.</i>
ADC	Debden & Wimbish	Wimbish (Village)	Thaxted	Wimbish	Wimbish Village Hall <i>The polling district will consist of the remainder of Wimbish parish not included in the Wimbish (Carver Barracks) polling district.</i>
AEA	Elsenham & Henham	Elsenham	Stansted	Elsenham	Elsenham Memorial Hall, off Leigh Drive, Elsenham
AEB	Elsenham & Henham	Henham	Stansted	Henham	Henham Village Hall
AFA	Felsted & Stebbing	Felsted East	Thaxted	Felsted	Crix Green Mission Hall, Felsted <i>The polling district will consist of that portion of Felsted parish lying to the east of a line commencing at the northern boundary of the parish at the bridleway from</i>

PD ref	Ward	Polling District	County Electoral Division	Parish/ ward	Polling place and definition of polling district boundary where applicable
AFA cont.	Felsted & Stebbing cont.	Felsted East cont.			<i>Braintree Road to Graunt Courts Farm and running in a generally southerly direction along the centre of the bridleway to Frenches Green at the junction of the bridleway with the road between Frenches Green and Bannister Green, then in a straight line and in a south westerly direction to the junction of the road from Cock Green to Thistley Green with the road leading to Pye's Farm and then in a straight line to the ward boundary at the point where it crosses the River Ter immediately to the east of Leez Priory.</i>
Page 18 AFA B	Felsted & Stebbing	Felsted West	Thaxted	Felsted	Felsted Memorial Hall, Braintree Road, Felsted <i>The polling district will consist of the remainder of Felsted parish not included in Felsted East polling district as described under AFA above.</i>
AFC	Felsted & Stebbing	Stebbing	Thaxted	Stebbing	Stebbing Village Hall
AGA	Flitch Green & Little Dunmow	Flitch Green	Thaxted	Flitch Green	Flitch Green Community Hall, off Tanton Road, Little Dunmow
AGB	Flitch Green & Little Dunmow	Little Dunmow	Thaxted	Little Dunmow	Community Meeting Room, Recreation Ground, off Brook Street, Little Dunmow
AHA	Great Dunmow North	Great Dunmow North-East	Dunmow	Great Dunmow North ward	The Dourdan Pavilion, Recreation Ground, off The Causeway, Great Dunmow <i>The polling district will comprise that part of Great Dunmow North ward lying to the east of a line running from Stortford Road immediately west and then north of Newton Green,</i>

PD ref	Ward	Polling District	County Electoral Division	Parish/ ward	Polling place and definition of polling district boundary where applicable
AHA cont.	Great Dunmow North cont.	Great Dunmow North-East cont.			<i>Rosemary Crescent, Downs Crescent and then Emblems, to the ward boundary west of Newton Hall.</i>
AHB	Great Dunmow North	Great Dunmow North-West	Dunmow	Great Dunmow North ward	Great Dunmow Primary School off Woodlands Park Drive, Great Dunmow <i>North ward not included in Great Dunmow North-East above. The polling district will consist of the remainder of Great Dunmow</i>
AJA	Great Dunmow South & Barnston	Barnston	Dunmow	Barnston	Barnston Village Hall
Page 19 AJB	Great Dunmow South & Barnston	Great Dunmow South-East	Dunmow	Great Dunmow South ward	United Reformed Church, New Street, Great Dunmow <i>The polling district will consist of that part of Great Dunmow parish lying mainly to the south and to the east of a line running from the western ward boundary in a generally north-easterly direction, first along the A120, then along the western edge of the Lukins Mead development to the southern bypass, then for a short distance in a westerly direction along the bypass, then in a northerly direction along the eastern edge of Springfields, Highfields, and then Standrums, then south of 34 High Street, then in a south-easterly direction along High Street to the junction with Braintree Road, then continuing along that road to the ward boundary.</i>

PD ref	Ward	Polling District	County Electoral Division	Parish/ ward	Polling place and definition of polling district boundary where applicable
AJC	Great Dunmow South & Barnston	Great Dunmow South-West	Dunmow	Great Dunmow South ward	ET Foakes Memorial Hall, Stortford Road, Great Dunmow <i>The polling district will consist of the remainder of Great Dunmow parish located within Great Dunmow & Barnston ward not included in Great Dunmow South-East polling district as described above.</i>
AKA	Hatfield Heath	Hatfield Heath	Dunmow	Hatfield Heath	Hatfield Heath Village Hall
AKB	Hatfield Heath	White Roding	Dunmow	White Roding	White Roding Sports and Social Club
AKC	High Easter & the Rodings	Aythorpe Roding	Dunmow	Aythorpe Roding	Aythorpe Roding Village Hall
AKD	High Easter & the Rodings	High Easter	Dunmow	High Easter	High Easter Village Hall
ALC	High Easter & the Rodings	High Roding	Dunmow	High Roding	WI Hall, High Roding
ALD	High Easter & the Rodings	Leaden Roding	Dunmow	Leaden Roding	Leaden Roding Village Hall
ALE	High Easter & the Rodings	Margaret Roding	Dunmow	Margaret Roding	The Reid Rooms, Marks Hall Lane, Margaret Roding
AMA	Littlebury, Chesterford & Wenden Lofts	Chrishall	Saffron Walden	Chrishall	Chrishall Village Hall

PD ref	Ward	Polling District	County Electoral Division	Parish/ ward	Polling place and definition of polling district boundary where applicable
AMB1	Littlebury, Chesterford & Wenden Lofts	Duddenhoe End & Wenden Lofts (part in Elmdon parish)	Saffron Walden	Elmdon and Wenden Lofts Duddenhoe End ward	Duddenhoe End Village Hall <i>The polling district will comprise the parish of Wenden Lofts together with that portion of the parish of Elmdon lying to the south of a straight line commencing on the eastern boundary of the parish at the north-western point of Lee Wood and running in a westerly direction to the western boundary of the parish at the junction of the road from Elmdon village with the B1039 at Essex Hill.</i> Note: The polling district consists of two parts as Duddenhoe End and Wenden Lofts are in separate parishes. Two polling stations would be required only in the event of contested parish elections.
AMB2	Littlebury, Chesterford & Wenden Lofts	Duddenhoe End & Wenden Lofts (part in Wenden Lofts parish)	Saffron Walden	Elmdon and Wenden Lofts Wenden Lofts ward	Duddenhoe End Village Hall <i>Refer to note above for description of the polling district boundary.</i>
AMC	Littlebury, Chesterford & Wenden Lofts	Elmdon	Saffron Walden	Elmdon and Wenden Lofts Elmdon Village ward	Elmdon Village Hall <i>The polling district will consist of the remainder of the parish of Elmdon not included in the Duddenhoe End & Wenden Lofts polling district.</i>
AMD	Littlebury, Chesterford & Wenden Lofts	Great Chesterford	Saffron Walden	Great Chesterford	Great Chesterford Community Centre, Recreation Ground
AME1	Littlebury, Chesterford & Wenden Lofts	Littlebury Green & Strethall (part in Littlebury parish)	Saffron Walden	Littlebury	St Peter's Church, Littlebury Green <i>The polling district consists of the parish of Strethall and that part of the parish of Littlebury lying to the west of a line</i>

PD ref	Ward	Polling District	County Electoral Division	Parish/ ward	Polling place and definition of polling district boundary where applicable
AME1 cont.	Littlebury, Chesterford and Wenden Lofts cont.	Littlebury Green & Strethall (part in Elmdon parish) cont.			<i>commencing at the point where the railway line crosses the southern boundary of the parish and running in a north westerly direction by the western extremity of Avenue Cottages and the eastern extremity of Howe Wood to the northern boundary of the parish.</i> Note: The polling district consists of two parts as Littlebury Green and Strethall are in separate parishes
AME2	Littlebury, Chesterford & Wenden Lofts	Littlebury Green & Strethall (part in Strethall parish)	Saffron Walden	Strethall (parish meeting only)	St Peter's Church, Littlebury Green <i>See AME(ii) for description of the polling district boundary.</i>
AMF	Littlebury, Chesterford & Wenden Lofts	Littlebury Village	Saffron Walden	Littlebury	Littlebury Village Hall <i>The polling district consists of the remainder of Littlebury parish not included within Littlebury Green and Strethall above.</i>
AMG	Littlebury, Chesterford & Wenden Lofts	Little Chesterford	Saffron Walden	Little Chesterford	Little Chesterford Village Hall
AMH	Littlebury, Chesterford & Wenden Lofts	Wendens Ambo	Saffron Walden	Wendens Ambo	Wendens Ambo Village Hall
ANA	Newport	Newport	Stansted	Newport	Newport Village Hall
ANB	Newport	Quendon & Rickling	Stansted	Quendon and Rickling	Quendon and Rickling Village Hall

PD ref	Ward	Polling District	County Electoral Division	Parish/ ward	Polling place and definition of polling district boundary where applicable
ANC	Newport	Widdington	Stansted	Widdington	Widdington Village Hall
AOA	Saffron Walden Audley	Audley North	Saffron Walden	Saffron Walden Audley ward	Committee Room, Town Hall, Saffron Walden (rear entrance off Butcher Row) <i>Audley North will consist of that part of Saffron Walden Audley ward lying to the north of a line running west from the ward boundary at the junction of Station Road with South Road along the centre of Station Road to the junction of Debden Road, then northwards along the centre of Debden Road to the junction with London Road and High Street then continuing in a generally north-westerly direction to the east of Beck Road, and the north of Saxon Way, and then following the line of the Slade to the ward boundary.</i>
AOB	Saffron Walden Audley	Audley South	Saffron Walden	Saffron Walden Audley ward	The Assembly Hall, Friends' School, Mount Pleasant Road, Saffron Walden <i>The polling district will comprise that part of Audley ward lying to the south of the boundary described under AOA above.</i>
APA	Saffron Walden Castle	Castle East	Saffron Walden	Saffron Walden Castle ward	Mobile polling unit located in the car park at Homebase, Elizabeth Way, Saffron Walden <i>Castle East will consist of that part of Saffron Walden Castle ward lying generally to the east of a line running northwards from the ward boundary on Ashdon Road from a point to the west of No. 2 Ashdon Road and then continuing along the rear boundaries of properties fronting the western side of Highfields to the junction with Sheds Lane, then along the rear boundaries of 10-16 Sheds Lane</i>

PD ref	Ward	Polling District	County Electoral Division	Parish/ ward	Polling place and definition of polling district boundary where applicable
APA cont.	Saffron Walden Castle cont.	Castle East cont.			<i>(evens), then continuing along the centre of Sheds Lane to bridleway 1 to byway 3 at Butlers Lane and then to the ward boundary.</i>
APB	Saffron Walden Castle	Castle West	Saffron Walden	Saffron Walden Castle ward	The School Hall at St Mary's Primary School, Castle Street, Saffron Walden <i>Castle West polling district will consist of the remainder of Saffron Walden Castle ward not included within Castle East polling district.</i>
AQA	Saffron Walden Shire	Shire North	Saffron Walden	Saffron Walden Shire ward	The School Hall at the R A Butler School, South Road, Saffron Walden <i>Shire North will consist of that part of Saffron Walden Shire ward lying to the north of a line running eastwards from the ward boundary at the junction of Mount Pleasant Road with Debden Road along the centre of Mount Pleasant Road and then Peaslands Road to the junction of that road with Thaxted Road, and then following the centre of Thaxted Road south easterly to the ward boundary.</i>
AQB	Saffron Walden Shire	Shire South	Saffron Walden	Saffron Walden Shire ward	The School Hall at the Katherine Semar Junior School, Ross Close, Saffron Walden <i>Shire South will consist of that part of Saffron Walden Shire ward not included in AQA Shire North above.</i>

PD ref	Ward	Polling District	County Electoral Division	Parish/ ward	Polling place and definition of polling district boundary where applicable
ARA	Stansted North	Stansted East	Stansted	Stansted Mountfitchet North ward	St John's Church Hall, St John's Road, Stansted <i>Stansted East polling district comprises that part of Stansted North ward to the east of a line running northwards from the southern ward boundary along the centre of Silver Street and then Cambridge Road to the northern ward boundary.</i>
ARB	Stansted North	Stansted West	Stansted	Stansted Mountfitchet North ward	Bentfield Primary School, Rainsford Road, Stansted <i>Stansted West polling district will consist of the remainder of Stansted North ward not included within Stansted East polling district as described under ARA above.</i>
ASA	Stansted South & Birchanger	Birchanger	Stansted	Birchanger	St Mary's Church Hall, 207 Birchanger Lane, Birchanger
ASB	Stansted South & Birchanger	Stansted South	Stansted	Stansted Mountfitchet South ward	The School Hall at St Mary's C of E Primary School, Hampton Road, Stansted <i>The polling district will consist of the whole of that part of Stansted parish contained in the Stansted South & Birchanger ward.</i>
ATA	Stort Valley	Berden	Stansted	Berden	Berden Village Hall
ATB	Stort Valley	Farnham	Stansted	Farnham	Farnham Village Hall
ATC	Stort Valley	Manuden	Stansted	Manuden	Manuden Village Community Centre, David Collins Drive, Manuden

PD ref	Ward	Polling District	County Electoral Division	Parish/ ward	Polling place and definition of polling district boundary where applicable
ATD	Stort Valley	Ugley	Stansted	Ugley	Ugley Village Hall
AUA1	Takeley	Broxted & Chickney (part in the parish of Broxted)	Thaxted	Broxted	Broxted Village Hall, Browns End Road, Broxted Note: This polling district comprises two parts as Broxted and Chickney are separate parishes.
AUA2	Takeley	Broxted & Chickney (part in the parish of Chickney)	Stansted	Chickney (parish meeting only)	Broxted Village Hall, Browns End Road, Broxted See above for note of polling arrangements.
AUB	Takeley	Little Canfield	Dunmow	Little Canfield	Little Canfield Village Hall
AUC	Takeley	Mole Hill Green	Dunmow	Takeley	Mole Hill Green Village Hall <i>The polling district consists of that part of the parish of Takeley lying to the east and north of a line commencing on the north-western boundary of the parish at a point due north of the passenger terminal at Stansted Airport, and running in a southerly direction to a point on the road from Coopers End to Takeley village north of Bridgefoot Cottages, then in a north-easterly direction to the parish boundary at the point where it is crossed by the byway known as Cobbs Lane.</i>
AUD	Takeley	Takeley Priors Green	Dunmow	Takeley	The Priors Green Community Centre, Bennet Canfield, Little Canfield, CM6 1YE (Takeley parish) <i>The polling district boundary consists of that part of Takeley parish lying to the east of a straight line running from the point where the polling district boundary with Mole Hill Green is intersected by the road leading from Mole Hill</i>

PD ref	Ward	Polling District	County Electoral Division	Parish/ ward	Polling place and definition of polling district boundary where applicable
AUD cont.	Takeley cont.	Takeley Priors Green cont.			<i>Green to Bambers Green and then running in a roughly southerly direction immediately to the west of Warish Hall and Smiths Green to the centre of Dunmow Road, then in an easterly direction to the Junction with Canfield Road, then following the centre of that road to the Parish boundary.</i>
AUE	Takeley	Takeley Village	Dunmow	Takeley	The Silver Jubilee Hall, Brewers End, Takeley <i>The polling district will consist of the remainder of Takeley parish not included in either the Mole Hill Green or Takeley Priors Green polling district.</i>
AVA	Thaxted & the Eastons	Duton Hill	Thaxted	Great Easton and Tilty – Duton Hill ward	The Three Horseshoes Public House, Duton Hill <i>The polling district consists of that part of the parish of Great Easton included in the Duton Hill parish ward as described in the District of Uttlesford (Electoral Changes) Order 2001.</i>
AVB1	Thaxted & the Eastons	Great Easton & Tilty (part in the parish of Great Easton)	Thaxted	Great Easton and Tilty – Village ward	Great Easton Village Hall Note: this polling district comprises two parts as Great Easton and Tilty are separate parishes, joined together in a grouped parish council. <i>The polling district comprises the parish of Tilty together with the remainder of the parish of Great Easton not included in the Duton Hill polling district.</i>
AVB2	Thaxted & the Eastons	Great Easton & Tilty (part in the parish of Tilty)	Thaxted	Great Easton and Tilty – Tilty ward	Great Easton Village Hall See above for note of polling district arrangements and for description of the polling district boundary.

PD ref	Ward	Polling District	County Electoral Division	Parish/ ward	Polling place and definition of polling district boundary where applicable
AVC	Thaxted & the Eastons	Lindsell	Thaxted	Lindsell (parish meeting only)	Lindsell Village Hall
AVD	Thaxted & the Eastons	Little Easton	Thaxted	Little Easton	Little Easton Memorial Hall
AVE	Thaxted & the Eastons	Thaxted	Thaxted	Thaxted	Bolford Street Hall, Bolford Street, Thaxted
AWA1 Page 28	The Sampfords	Great & Little Sampford (part in the parish of Great Sampford)	Thaxted	The Sampfords – Great Sampford ward	Baptist Church Hall, Great Sampford Note: Great and Little Sampford are separate civil parishes of the same grouped parish council; separate polling stations would be required only in the event of a contested parish poll.
AWA2	The Sampfords	Great & Little Sampford (part in the parish of Little Sampford)	Thaxted	The Sampfords – Little Sampford ward	Baptist Church Hall, Great Sampford Please see explanation in AWA1 above about polling arrangements.
AWB	The Sampfords	Hempstead	Thaxted	Hempstead	Hempstead Village Hall
AWC	The Sampfords	Little Bardfield	Thaxted	Little Bardfield	Little Bardfield Cricket Pavilion
AWD	The Sampfords	Radwinter	Thaxted	Radwinter	Radwinter Parish Hall

Committee: Governance, Audit and Performance

Agenda Item

Date: 28 September 2017

4

Title: Annual Ombudsman Report

Author: Peter Snow, Democratic and Electoral Services Manager, 01799 510430

Item for decision:
yes

Summary

1. The annual review letter has been received from the Local Government Ombudsman summarising the complaints relating to the Council's services dealt with by the Ombudsman's office for the year ended 31 March 2017. The annual review information has previously been reported to members via the members' bulletin but there has been no formal review process by the relevant committee. This report seeks to close that loop by allowing members the opportunity to comment directly on the Council's performance in dealing with complaints reaching the Ombudsman stage. This generally means that the complainants have been dissatisfied with the way in which their complaints have been dealt with by the Council.
2. Members are invited to review the handling of Ombudsman complaints in 2016/17 and to make any relevant comments.

Recommendations

3. To note the contents of the Ombudsman's annual review letter and make appropriate comments on the handling of complaints.

Financial Implications

4. There are no financial implications arising from this report. Any agreed amounts of compensation paid to complainants arising from Ombudsman investigations are covered by existing budgets.

Background Papers

5. The papers referred to by the author in the preparation of this report are mentioned in the body of the report and are already published.

Impact

- 6.

Communication/Consultation	Review reports are published both on the Council's and the Ombudsman's websites
Community Safety	N/A

Equalities	N/A
Health and Safety	N/A
Human Rights/Legal Implications	Residents and users of the Council's services are able to complain to the Ombudsman about the handling of complaints where the complainant is dissatisfied with the service or response received, within time limits
Sustainability	N/A
Ward-specific impacts	All wards
Workforce/Workplace	N/A

Situation

7. The Council's annual review letter from the Local Government Ombudsman has been received. It lists ten complaints received and 11 cases in which a decision has been made.
8. In five cases, the complaint was closed after initial enquiries. One complaint was incomplete and could not be investigated; two were referred back for local resolution; in two cases local advice was given and in one case the complaint was upheld.
9. This is a fairly typical pattern of complaint investigation by the Ombudsman so that nothing particularly stands out as unusual or worthy of especial comment. The previous review letter for 2015/16 covered 13 complaints of which four were subject to detailed investigation, one of which was upheld.
10. Complainants who are dissatisfied with the Council's response to the service they have received often approach the Ombudsman prematurely because they have not exhausted the Council's complaints procedure. In these cases the Council is generally asked to complete the Council's complaints process in an attempt to resolve the problem highlighted and to remind the complainant of their right to complain again if they remain dissatisfied. In not all cases are the complaints followed up in these circumstances.
11. When matters are referred for full investigation, the Council's link officer will seek to discover the stage the complaint has reached, track down the case work concerned and ask the service manager concerned to set out the facts of the case, answer any specific points raised by the Ombudsman's investigator, and form a judgement about whether a resolution of the complaint is possible. This will usually involve a judgement internally about whether the handling of the case is seen to include any fault.

12. The internal work of the link officer is not therefore that of an investigating officer in the formal sense but does often involve reviewing the facts of the case, and seeking out any flaws in the responses provided to the complainant. The main role of the link officer is to ensure that all relevant information is provided to the Ombudsman and that all questions raised are answered fully.
13. Once this has been done the Ombudsman does often ask for further information or clarification to be provided and will then prepare a draft decision notice for comment. This is sent to both the Council and the complainant. After the comment period has elapsed, the Ombudsman will review the case again in the light of any further comments made and will then issue a final decision notice.
14. The decision notice will either conclude that there is some justice in the complaint or not. If fault is found there are a range of remedies available and this can result in the issuing of an apology and the payment of compensation. Occasionally, the Council will be advised to remind officers of the need to follow better procedures, for example in the full noting of telephone conversations or in face to face meetings. Sometimes the Council will be advised to revise an internal procedure in administering a particular aspect of a service.
15. In the case noted as “complaint upheld”, the Council had delayed taking planning enforcement action allegedly resulting in the removal of trees and a hedge. The complainant criticised officers strongly for the attitude they had displayed and said they had lied and then stopped contacting her.
16. Although the Ombudsman found some evidence of fault in this case, the decision notice stated the Council’s apology already given was a sufficient remedy for the fault caused as there was no significant injustice. In this case also, as stated in paragraph 14 above, the Council’s was asked to remind planning officers to keep a record of all actions, contacts or decisions beyond the trivial and transitory, and that was duly done.
17. The Council is not obliged to follow all Ombudsman recommendations but in my experience has always done so. This has sometimes involved the payment of compensation to complainants. All cases are published by the Ombudsman with the personal details stripped out. There is strong moral pressure on the Council to implement proposed remedies and it would be unusual not to do so. There would have to be very strong grounds to resist the outcome of an Ombudsman decision even if officers sometimes feel aggrieved by the criticism of their actions.
18. The review letter points to a change in the method of working with local councils to agree a time-frame for the implementation of recommendations where these have been agreed. To date this new method has not impacted on any decisions made by the Ombudsman relating to Uttlesford.
19. The review letter is attached to this report as appendix A and also attached as appendix B is a summary of complaints received by the Council during the 2016/17 period to enable a contrast to be drawn between the number of

overall complaints referred for internal investigation and the number then referred onwards for investigation by the Ombudsman.

20. Members are asked to review the contents of the review letter and the complaints and decisions received as appended to this report, and to make comments about the consideration of Ombudsman complaints.

Risk Analysis

21.

Risk	Likelihood	Impact	Mitigating actions
1 – full investigation of complaints referred to the Ombudsman is always undertaken	2 – in cases where fault has been found it might be necessary to provide a remedy to satisfy the complainant and in some cases to changes internal procedures followed by service areas	2 – where a change of process is required to meet a recommendation from the Ombudsman it may have some impact on service provision	As recommended by the Ombudsman – sometimes a review of internal practices may be required if significant failings in service provision are identified

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.

20 July 2017

By email

Dawn French
Chief Executive
Uttlesford District Council

Dear Dawn French,

Annual Review letter 2017

I write to you with our annual summary of statistics on the complaints made to the Local Government and Social Care Ombudsman (LGO) about your authority for the year ended 31 March 2017. The enclosed tables present the number of complaints and enquiries received about your authority and the decisions we made during the period. I hope this information will prove helpful in assessing your authority's performance in handling complaints.

The reporting year saw the retirement of Dr Jane Martin after completing her seven year tenure as Local Government Ombudsman. I was delighted to be appointed to the role of Ombudsman in January and look forward to working with you and colleagues across the local government sector in my new role.

You may notice the inclusion of the '*Social Care Ombudsman*' in our name and logo. You will be aware that since 2010 we have operated with jurisdiction over all registered adult social care providers, able to investigate complaints about care funded and arranged privately. The change is in response to frequent feedback from care providers who tell us that our current name is a real barrier to recognition within the social care sector. We hope this change will help to give this part of our jurisdiction the profile it deserves.

Complaint statistics

Last year, we provided for the first time statistics on how the complaints we upheld against your authority were remedied. This year's letter, again, includes a breakdown of upheld complaints to show how they were remedied. This includes the number of cases where our recommendations remedied the fault and the number of cases where we decided your authority had offered a satisfactory remedy during the local complaints process. In these latter cases we provide reassurance that your authority had satisfactorily attempted to resolve the complaint before the person came to us.

We have chosen not to include a 'compliance rate' this year; this indicated a council's compliance with our recommendations to remedy a fault. From April 2016, we established a new mechanism for ensuring the recommendations we make to councils are implemented, where they are agreed to. This has meant the recommendations we make are more specific, and will often include a time-frame for completion. We will then follow up with a council and seek evidence that recommendations have been implemented. As a result of this new process, we plan to report a more sophisticated suite of information about compliance and service improvement in the future.

This is likely to be just one of several changes we will make to our annual letters and the way we present our data to you in the future. We surveyed councils earlier in the year to find out, amongst other things, how they use the data in annual letters and what data is the most useful; thank you to those officers who responded. The feedback will inform new work to

provide you, your officers and elected members, and members of the public, with more meaningful data that allows for more effective scrutiny and easier comparison with other councils. We will keep in touch with you as this work progresses.

I want to emphasise that the statistics in this letter comprise the data we hold, and may not necessarily align with the data your authority holds. For example, our numbers include enquiries from people we signpost back to the authority, but who may never contact you.

In line with usual practice, we are publishing our annual data for all authorities on our website. The aim of this is to be transparent and provide information that aids the scrutiny of local services.

The statutory duty to report Ombudsman findings and recommendations

As you will no doubt be aware, there is duty under section 5(2) of the Local Government and Housing Act 1989 for your Monitoring Officer to prepare a formal report to the council where it appears that the authority, or any part of it, has acted or is likely to act in such a manner as to constitute maladministration or service failure, and where the LGO has conducted an investigation in relation to the matter.

This requirement applies to all Ombudsman complaint decisions, not just those that result in a public report. It is therefore a significant statutory duty that is triggered in most authorities every year following findings of fault by my office. I have received several enquiries from authorities to ask how I expect this duty to be discharged. I thought it would therefore be useful for me to take this opportunity to comment on this responsibility.

I am conscious that authorities have adopted different approaches to respond proportionately to the issues raised in different Ombudsman investigations in a way that best reflects their own local circumstances. I am comfortable with, and supportive of, a flexible approach to how this duty is discharged. I do not seek to impose a proscriptive approach, as long as the Parliamentary intent is fulfilled in some meaningful way and the authority's performance in relation to Ombudsman investigations is properly communicated to elected members.

As a general guide I would suggest:

- Where my office has made findings of maladministration/fault in regard to routine mistakes and service failures, and the authority has agreed to remedy the complaint by implementing the recommendations made following an investigation, I feel that the duty is satisfactorily discharged if the Monitoring Officer makes a periodic report to the council summarising the findings on all upheld complaints over a specific period. In a small authority this may be adequately addressed through an annual report on complaints to members, for example.
- Where an investigation has wider implications for council policy or exposes a more significant finding of maladministration, perhaps because of the scale of the fault or injustice, or the number of people affected, I would expect the Monitoring Officer to consider whether the implications of that investigation should be individually reported to members.
- In the unlikely event that an authority is minded not to comply with my recommendations following a finding of maladministration, I would always expect the Monitoring Officer to report this to members under section five of the Act. This is an exceptional and unusual course of action for any authority to take and should be considered at the highest tier of the authority.

The duties set out above in relation to the Local Government and Housing Act 1989 are in addition to, not instead of, the pre-existing duties placed on all authorities in relation to Ombudsman reports under The Local Government Act 1974. Under those provisions, whenever my office issues a formal, public report to your authority you are obliged to lay that report before the council for consideration and respond within three months setting out the action that you have taken, or propose to take, in response to the report.

I know that most local authorities are familiar with these arrangements, but I happy to discuss this further with you or your Monitoring Officer if there is any doubt about how to discharge these duties in future.

Manual for Councils

We greatly value our relationships with council Complaints Officers, our single contact points at each authority. To support them in their roles, we have published a Manual for Councils, setting out in detail what we do and how we investigate the complaints we receive. When we surveyed Complaints Officers, we were pleased to hear that 73% reported they have found the manual useful.

The manual is a practical resource and reference point for all council staff, not just those working directly with us, and I encourage you to share it widely within your organisation. The manual can be found on our website www.lgo.org.uk/link-officers

Complaint handling training

Our training programme is one of the ways we use the outcomes of complaints to promote wider service improvements and learning. We delivered an ambitious programme of 75 courses during the year, training over 800 council staff and more 400 care provider staff. Post-course surveys showed a 92% increase in delegates' confidence in dealing with complaints. To find out more visit www.lgo.org.uk/training

Yours sincerely



Michael King
Local Government and Social Care Ombudsman for England
Chair, Commission for Local Administration in England

For further information on how to interpret our statistics, please visit our website:
<http://www.lgo.org.uk/information-centre/reports/annual-review-reports/interpreting-local-authority-statistics>

Complaints and enquiries received

Adult Care Services	Benefits and Tax	Corporate and Other Services	Education and Children's Services	Environment Services	Highways and Transport	Housing	Planning and Development	Other	Total
0	5	2	0	0	0	2	1	0	10

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Decisions made

				Detailed Investigations			
Incomplete or Invalid	Advice Given	Referred back for Local Resolution	Closed After Initial Enquiries	Not Upheld	Upheld	Uphold Rate	Total
1	2	2	5	0	1	100%	11

Notes

Our uphold rate is calculated in relation to the total number of detailed investigations.
 The number of remedied complaints may not equal the number of upheld complaints. This is because, while we may uphold a complaint because we find fault, we may not always find grounds to say that fault caused injustice that ought to be remedied.

Complaints Remedied

by LGO	Satisfactorily by Authority before LGO Involvement
1	0

APPENDIX B – TABLE OF COMPLAINTS RECEIVED BY SERVICE IN 2016/17

2016/17 COMPLAINTS	Q1 Total Complaints	Number upheld	Q2 Total Complaints	Number upheld	Q3 Total Complaints	Number upheld	Q4 Total Complaints	Number upheld
Benefits	5	1	4	1	3		3	
Corporate Services			1				1	1
Council Tax & Recovery	6	1	4				2	
Electoral Services	2							1
Environmental Health	4						1	
Housing	11	1	2		5		8	
Legal	4		1					
Parking	2							
Planning	4		8		21	1	14	
Street Services	30	13	23	13	5	3	29	11
	68	16	43	14	34	4	58	13

2016/17 COMPLIMENTS	Q1	Q2	Q3	Q4
Benefits		1		
Corporate Services	2	1	2	
Council Tax & Recovery			1	1
Electoral Services				
Environmental Health	1			
Housing	2		1	1
Legal	2			
Parking				
Planning	1			1
Street Services	3	12	7	3
	11	14	11	6

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2016/17 COMPLAINTS	Q1 Total Complaints	Number upheld	Q2 Total Complaints	Number upheld	Q3 Total Complaints	Number upheld	Q4 Total Complaints	Number upheld
Benefits	5	1	4	1	3		3	
Corporate Services			1				1	1
Council Tax & Recovery	6	1	4				2	
Electoral Services	2							1
Environmental Health	4						1	
Housing	11	1	2		5		8	
Legal	4		1					
Parking	2							
Planning	4		8		21	1	14	
Street Services	30	13	23	13	5	3	29	11
	68	16	43	14	34	4	58	13

2016/17 COMPLIMENTS	Q1	Q2	Q3	Q4
Benefits		1		
Corporate Services	2	1	2	
Council Tax & Recovery			1	1
Electoral Services				
Environmental Health	1			
Housing	2		1	1
Legal	2			
Parking				
Planning	1			1
Street Services	3	12	7	3
	11	14	11	6

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Committee: Governance, Audit & Performance Committee

Agenda Item

5

Date: 28 September 2017

Title: Revised Internal Audit Strategy and Work Programme 2017/18

Author: Sheila Bronson, Internal Audit Manager
01799 510610

Item for approval:
yes

Summary

1. The Council has arrangements in place to ensure risks to the Council achieving its objectives are identified and managed. This report informs Members of the revisions to the Internal Audit Strategy and Work Programme 2017/18.

Recommendations

2. That Members approve the Revised Internal Audit Strategy and Work Programme 2017/18.

Financial Implications

3. None. There are no costs associated with the recommendations in this report.

Background Papers

4. None.

Impact

- 5.

Communication/Consultation	The Revised Internal Audit Strategy 2017/18 has been discussed with the Corporate Management Team at its meeting 06 September 2017
Community Safety	none
Equalities	none
Health and Safety	none
Human Rights/Legal Implications	none

Sustainability	none
Ward-specific impacts	none
Workforce/Workplace	none

Situation

6. The Internal Audit Strategy and Work Programme 2017/18 was approved by the Council's Governance, Audit & Performance Committee at its meeting 18 May 2017.
7. The Internal Audit Manager has been appointed to lead the Project Group for the implementation of the General Data Protection Regulations (GDPR) which will come into force on 25 May 2018. It is anticipated that this work will take 4 out of 5 days per week of the Internal Audit Manager's time. To provide adequate cover for Internal Audit to ensure that the service can continue to give the required level of assurance, the part-time auditor post (0.67FTE) has been increased to a full time post. These arrangements are expected to be in place for twelve months from 01 August 2017.
8. The Revised Internal Audit Strategy and Work Programme 2017/18 at Appendix A reflects the changes to Internal Audit resources and capacity from 01 August 2017.
9. The Revised Internal Audit Strategy and Work Programme 2017/18 should be read in conjunction with the original Internal Audit Strategy and Work Programme 2017/18 (April 2017) at Appendix B.

Risk Analysis

10.

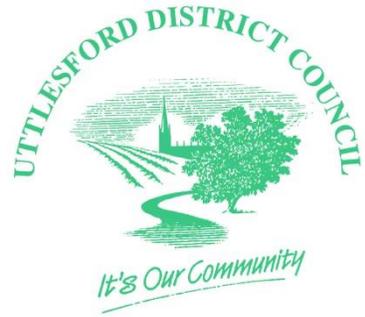
Risk	Likelihood	Impact	Mitigating actions
Adverse External comment if the Internal Audit Strategy does not comply with the Public Sector Internal Audit Standards.	1 Internal Audit function is an integral part of the Council	2 Statutory requirement, adverse External Auditor Report	Review of Strategy due to changes to Internal Audit resources and capacity

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.



REVISED

**Internal Audit
STRATEGY and WORK
PROGRAMME
2017/18**

(revisions from 01 August 2017)

REVISED INTERNAL AUDIT STRATEGY 2017/18 (revisions from 01 August 2017)

CONTENTS

- 1. Background**
- 2. Revised Internal Audit Resources 2017/18**
- 3. Revised Internal Audit Strategic Programme 2017/18**
- 4. Revised Internal Audit Work Programme 2017/18**

1 Background

- 1.1 The Internal Audit Strategy and Work Programme 2017/18 was approved by the Council's Governance, Audit & Performance Committee at its meeting 18 May 2017.
- 1.2 The Internal Audit Manager has been appointed to lead the Project Group for the implementation of the General Data Protection Regulations (GDPR) which will come into force on 25 May 2018. It is anticipated that this work will take 4 out of 5 days per week of the Internal Audit Manager's time. To provide adequate cover for Internal Audit to ensure that the service can continue to give the level of assurance required the part-time auditor post (0.67FTE) has been increased to a full time post. These arrangements are expected to be in place for twelve months from 01 August 2017.
- 1.3 The Revised Internal Audit Strategy and Work Programme 2017/18 reflects the changes to Internal Audit resources and capacity from 01 August 2017.
- 1.4 The sections included in this document detail the revisions to the original document, therefore this Revised Internal Audit Strategy and Work Programme 2017/18 should be read in conjunction with the original Internal Audit Strategy and Work Programme 2017/18 (April 2017).

2. Revised Internal Audit Resources 2017/18

- 2.1 Internal Audit for 2017/18 is provided at UDC by its in-house Internal Audit team:

	01/04/17 – 31/07/17	01/08/17-31/03/18
Internal Audit Manager	FT	0.20 FTE
Internal Auditor	FT	FT
Internal Auditor	0.67 FTE	FT

- 2.2 The initial Internal Work Strategy and Work Programme 2017/18 was based on there being 694 total Internal Audit team days available in 2017/18; of which 253 days were deducted to account for leave provisions and non-audit time leaving 441 days available for productive audit work.
- 2.3 From these 441 days, a further 151 days were deducted to account for productive non-audit time (e.g. contribution to corporate management, consultancy & general advice, committee & member related work, fraud related work, irregularity provision and follow-up work) leaving 290 days available for planned audit work.
- 2.4 The number of days available for planned audit work for the Revised Internal Audit Strategy and Work Programme 2017/18 has been calculated as 254 days:

	revised	original
Total days available 2017/18	752	694
Less leave provisions and non-audit time	(277)	(253)
Total available for productive audit work	531	441
Less Internal Audit Manager GDPR time	(146)	0
Less productive non-audit time	(131)	(151)
Total days available for planned audit work	254	290

3 Revised Internal Audit Strategic Programme 2017/18

3.1 The Internal Audit Strategic Programme details all potential audit areas at both corporate and service area levels within UDC and has been reviewed and revised to take into account the Internal Audit resource changes from 01 August 2017 and:

- To consider emerging risks and service developments;
- To ensure the focus of Internal Audit work remains relevant to the Council's vision and current priorities;
- To be robust enough to be able to provide an opinion on the Council's control environment in 2017/18 the in Internal Audit Annual Report and Opinion.

Risk Assessment

3.2 In the Revised Internal Audit Strategic Programme an updated audit needs risk assessment has been carried out on all potential audit areas taking into consideration:

- The Council's Corporate Plan 2017-21; the Corporate Plan Delivery Plan and Service Plans 2017/18;
- The Corporate Risk Register August 2017;
- Key Performance Indicators and Performance Indicators qtr1 2017/18;
- Key Financial audits for year 1 or the 3 year KF auditing cycle;

- Interest to Internal Audit (e.g. past audit opinions; recommendations or implemented; fraud risks; etc.);
- Specifically requested high risk areas or services following consultation with CMT;
- Audits carried forward from the 2016/17 Audit Programme and overdue audits from the Strategic Programme;
- Issues raised by the Governance, Audit & Performance Committee.

3.3 Risk levels are determined in line with to the Council's corporate method of risk scoring, assessing the potential risks to the Council if audit is not carried out:

- Risk Level **4** - Matters that are considered **fundamental** that require immediate attention and priority action;
- Risk Level **3** - Matters that are considered **significant** that should be addressed within six months;
- Risk Level **2** - Matters that are considered **important** that should be addressed within twelve months;
- Risk Level **1** - Matters that merit attention and would improve overall control.

3.4 The audit needs risk assessment influences the frequency of audit review and the estimated resource requirements to meet the expectation that all potential audit areas will be audited at least once over a five year period.

4. Revised Internal Audit Work Programme 2017/18

Planning

4.1 The Revised Internal Audit Work Programme 2017/18 sets out the audit work programme for the whole financial year, taking into account work already undertaken from 01 April to 31 July 2017 and the revisions made to the programme of audit work for 01 August 2017 to 31 March 2018. It is a rolling programme of planned audit work and remains subject to regular review and updating at strategic points throughout the remainder of the year:

- October 2017 to determine proposed audit work for quarters 3 and 4 of the financial year;

- January 2018 – to determine the scope of audit work to be undertaken during the remainder of the financial year and
 - at any other relevant point during the year.
- 4.2 In order to preserve the independence of Internal Audit, the final risk assessment and selection of areas for inclusion in the Internal Audit Work Programme rests with the Internal Audit Manager.
- 4.3 Audit resources are matched to the areas to be audited and any audits that will not be covered will be brought to the attention of the Section 151 Officer, CMT and Members.
- 4.4 The Revised Internal Audit Work Programme remains risk based, our auditing priorities are:
1. Corporate Plan & Corporate Plan Delivery and Service Plan actions and Corporate Risk Registers.
 2. Key Financials Audits
 3. Other areas considered high risk by the Internal Audit Manager.
 4. Specifically requested high risk areas or services following consultation with the Corporate Management Team and Members.
 5. Audits carried forward from the 2016/17 programme and overdue audits from the 2017/18 Strategic Programme.
- 4.5 Internal Audit provides independent assurance on the Council's control framework for inclusion in the Annual Governance Statement. Therefore the priority for the Audit Service must be to carry out and achieve the planned work as contained in the Audit Programme.
- 4.6 The Revised Internal Audit Work Programme has allocated 254 audit days for all potential audit work, a reduction of 36 days from the original estimate of 290 audit days.

Key Financial Audits

- 4.7 The Revised Internal Audit Work Programme has 45 audit days provisionally set aside for Key Financial Audits, a reduction of 10 days from the original estimate of 55 audit days.
- 4.8 There were 7 Key Financial Audits originally scheduled for audit work in 2017/18, this has been reduced to 5 audits:

KEY FINANCIAL AUDITS	Original audit days	Revised audit days
Budgets	5	5
Council Tax	10	10
Housing Benefits & LCTS	10	10
Main Accounting System	10	10
Taxation	10	10
Cash & Bank	5	0
Payroll	5	0

- 4.9 The audits of Cash & Bank and Payroll were original scheduled as follow up audits, progress on implementation of recommendations made in the 2016/17 audits will be now carried out as part of the follow-up rolling programme.
- 4.10 The Section 151 Officer and Assistant Director of Resources will be consulted on Terms of Reference for all Key Financial Audits.

Corporate Audits

- 4.11 The Revised Internal Audit Work Programme has 25 audit days provisionally set aside for Corporate Audits, a reduction of 15 days from the original estimate of 40 audit days.
- 4.12 There were 4 Corporate Audits originally scheduled for audit work in 2017/18, this has been reduced to 2 audits:

CORPORATE AUDITS	Original audit days	Revised audit days
Corporate Commercial Enterprise & Investment	10	15
Corporate Governance & Ethical Culture	10	10
Corporate Investment	10	0
Corporate Value for Money	10	0

- 4.13 The audits of Commercial Enterprise and Corporate Investment have been combined into one audit with an overall reduction of 5 audit days. The Corporate Value for Money audit is carried forward to the 2018/19 audit programme.

Other Audits

- 4.14 The Revised Internal Audit Work Programme has 184 audit days provisionally set aside for Other Audits, a reduction of 11 days from the original estimate of 195 audit days.
- 4.15 There were 20 Other Audits originally scheduled for audit work in 2017/18, this has been reduced to 18 audits:

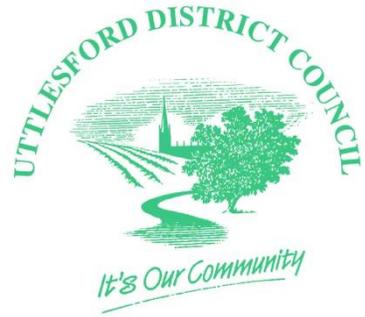
OTHER AUDITS	Original audit days	Revised audit days	
Communication	10	10	
Day Centres	10	12	new audit
Grants to Voluntary Organisations	10	10	service changes
HR	10	10	new iTrent system
Leisure - PFI	10	10	service changes
Environmental Health – Enforcement	10	0	to 2018/19
Environmental Health - Food Safety & Infectious Disease Control	10	12	
Equality & Diversity incl Access to Services	10	10	
Community - Health Improvement	10	10	
Community - Safety	10	0	to 2018/19
Services for Older People	10	10	
Legal Services	10	10	
Car Parking Partnership (NEPP)	10	10	
Conservation	5	8	
Economic Development Service	10	10	
Energy Efficiency	10	10	
Housing Strategy	10	10	
Landscape	5	7	
Local Plan	15	5	review of Reg 18 & Reg 19 consultations
Trade Waste & Income Generating Services	10	20	previously 2 separate audits

4.16 There remains 1 further Other Audit area identified for potential audit work in 2017/18, this is dependent on the 2016/17 audit opinion:

Corp Services – Museum

- 4.17 The biggest impact on Internal Audit resources are special investigations and unplanned work. Any special investigation and unplanned work requests will be individually assessed and potentially outsourced
- 4.18 Giving one-off advice to departments on a range of control issues and allowing further time on audits where further testing is required also adds to the pressure on resources. If extended unplanned work is deemed to be necessary, then resource levels and the impact on the Audit Programme and the Strategic Programme will be taken into consideration.
- 4.19 To be able to provide an acceptable level of assurance on the Council's management of its operational risks, controls and governance; priority will be given to Risk Level 4 and 3 work over any other work on the Internal Audit Work Programme

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Internal Audit STRATEGY and WORK PROGRAMME 2017/18

April 2017

INTERNAL AUDIT STRATEGY 2017/18

CONTENTS

- 1. Introduction**
- 2. Internal Audit Strategic Programme 2017/18**
- 3. Internal Audit Work Programme 2017/18**
- 4. Resources 2017/18**
- 5. Types of Audits**
- 6. Audit Reports & Recommendations**
- 7. Reporting to CMT and Members**

Appendix
Assurance Opinion Criteria and Risk Level Definitions

1 Introduction

Background

- 1.1 The work of Uttlesford District Council's (UDC) Internal Audit is governed by the UK Public Sector Internal Audit Standards 2017 (PSIAS) which comprise of the definition of internal auditing, a Code of Ethics for internal auditors working in the public sector and the Standards themselves. The PSIAS are mandatory for all internal auditors working in the UK public sector.
- 1.2 Internal Audit is defined in the PSIAS as follows:

“Internal auditing is an independent, objective, assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.”
- 1.3 The PSIAS require that there must be a risk-based internal audit plan that takes into account the requirement to produce an annual internal audit opinion and assurance framework. It must incorporate in or be linked to a strategic or high-level statement of how the internal audit service will be delivered and developed in accordance with the internal audit charter and how it links to the organisational objectives and priorities.
- 1.4 The annual Internal Audit Strategy provides details on the production of the Internal Audit Strategic and Work Programmes for current year.

2. Internal Audit Strategic Programme 2017/18

- 2.1 The Internal Audit Strategic Programme details all potential audit areas at both corporate and service area levels within UDC and forms the starting point for the annual audit planning process.
- 2.2 In January 2017, the Internal Audit Strategic Programme was reviewed in conjunction with the Corporate Management Team (CMT) to ensure that it remained up to date and continues to take account of emerging risks and service developments ensuring the focus of Internal Audit work remains relevant to the Council's vision and current priorities. The Internal Audit Strategic Programme was presented to the Performance & Audit Committee at its February 2017 meeting.

Risk Assessment

- 2.3 Each potential audit area identified in the Internal Audit Strategic Programme is subject to an audit needs risk assessment taking into consideration:
 - The Council's Corporate Plan objectives and the Corporate Plan Delivery Plan;

- Key Performance Indicators and Performance Indicators;
- Key Financial audits;
- Interest to Internal Audit – e.g. the level of past audit opinions; recommendations made; recommendations implemented; fraud risks; volume, value and complexities of transactions etc.;
- Specifically requested Directorate & Service high risk areas or services following consultation with CMT;
- Audits carried forward from the previous year’s Audit Programme and any overdue audits from the Strategic Programme;
- Weaknesses identified in the Annual Governance Statement;
- Issues raised by the Governance, Audit & Performance Committee;
- Audit resource availability.

2.4 Risk levels are determined according to the Council’s corporate method of risk scoring, assessing the potential risks to the Council if audit is not carried out:

- Risk Level **4** - Matters that are considered **fundamental** that require immediate attention and priority action;
- Risk Level **3** - Matters that are considered **significant** that should be addressed within six months;
- Risk Level **2** - Matters that are considered **important** that should be addressed within twelve months;
- Risk Level **1** - Matters that merit attention and would improve overall control.

2.5 The audit needs risk assessment will influence the frequency of audit review and the estimated resource requirements to meet the expectation that all potential audit areas will be audited at least once over a five year period.

3. Internal Audit Work Programme 2017/18

Planning

3.1 The Internal Audit Work Programme for 2017/18 sets out the audit work programme for the financial year. It is a rolling programme of planned audit work expected to be undertaken during 2017/18 and is subject to regular review and updating at strategic points throughout the year:

- April 2017 to determine the proposed audit work for quarters 1 and 2 of the new financial year;
 - June 2017 to determine proposed audit work for quarters 2 and 3 of the financial year;
 - September 2017 to determine proposed audit work for quarters 3 and 4 of the financial year;
 - January 2018 – to determine the scope of audit work to be undertaken during the remainder of the financial year and
 - at any other relevant point during the year
- 3.2 In order to preserve the independence of Internal Audit, the final risk assessment and selection of areas for inclusion in the Internal Audit Work Programme rests with the Internal Audit Manager.
- 3.3 Agreement was given by CMT and Members of the Performance & Audit Committee in February 2017 to the initial Internal Audit Work Programme for 2017/18. The Internal Audit Work Programme defines the area and approximate duration of each audit based on risk assessment, time spent in previous audits, previous problems encountered and the level and skill of staff involved.
- 3.4 Audit resources are matched to the areas to be audited and any audits that will not be covered will be brought to the attention of the Section 151 Officer, CMT and Members.
- 3.5 The 2017/18 Internal Audit Work Programme is risk based as far as is possible, our auditing priorities for 2017/18 are:
1. Corporate & Divisional Plans / Risk Registers – highest risks.
 2. Key Financials Audits to meet the Accounts and Audit (England) Regulations 2015.
 3. Other areas considered high risk by the Internal Audit Manager.
 4. Specifically requested Directorate & Service High risk areas or services following consultation with the Corporate Management Team and Members.
 5. Audits carried forward from the 2016/17 programme and any overdue audits from the 2017/18 Strategic Programme.
- 3.6 Internal Audit provides independent assurance on the Council's control framework for inclusion in the Annual Governance Statement. Therefore the priority for the Audit

Service must be to carry out and achieve the planned work as contained in the Audit Programme.

- 3.7 The 2017/18 Internal Audit Work Programme has allocated 290 days for all potential audit work

Key Financial Audits

- 3.8 Historically, the Key Financial Audits have been afforded highest priority in terms of time and resources. They are the statutory audits Internal Audit are required to undertake but as we no longer carry out testing on behalf of the External Auditor from 2017/18 onwards we are moving to a three year auditing cycle; key financial areas will generally being audited every third year unless circumstances dictate otherwise.

- 3.9 Following the April 2017 review of the Internal Audit Work Programme for 2017/18, there are 7 Key Financial Audits scheduled for audit work in 2017/18:

- Resources - Budgets
- Resources - Cash & Bank
- Resources - Council Tax
- Resources - LCTS
- Resources - Main Accounting System
- Resources – Taxation
- Corp Services – Payroll (follow-up to 2016/17 audit)

- 3.10 The Section 151 Officer and Assistant Director of Resources will be consulted on Terms of Reference for all Key Financial Audits.

- 3.11 The 2017/18 Audit Programme has 55 audit days provisionally set aside for Key Financial Audits.

Corporate Audits

- 3.12 Following the April 2017 review of the Internal Audit Work Programme for 2017/18, there are 4 Corporate Audits scheduled for work in 2017/18:

- Corporate Commercial Enterprise
- Corporate Governance & Ethical Culture
- Corporate Investment
- Corporate Value for Money

- 3.13 Four further Corporate Audits areas have been identified for potential audit work in 2017/18, this is dependent on the 2016/17 audit opinion:

- Corporate Counter Fraud
- Corporate Fleet & Fuel Management
- Corporate Health & Safety
- Corporate Partnerships

3.14 The 2017/18 Audit Programme has 40 audit days provisionally set aside for Corporate Audits

Other Audits

3.15 Following the April 2017 review of the Internal Audit Work Programme for 2017/18, there are 20 Other Audits scheduled for audit work in 2017/18:

- Corp Services - Communication
- Corp Services - Day Centres
- Corp Services - Grants to Voluntary Organisations
- Corp Services - HR
- Corp Services - Leisure - PFI
- Housing & Health - Environmental Health - Enforcement
- Housing & Health - Environmental Health - Food Safety & Infectious Disease Control
- Housing & Health - Wellbeing - Equality & Diversity
- Housing & Health - Wellbeing - Community Health
- Housing & Health - Wellbeing - Community Safety - incl ASB & Safeguarding
- Housing & Health - Wellbeing - Services for Older People
- Legal Services - Legal
- Planning - Car Parking Partnership (NEPP)
- Planning - Conservation
- Planning - Economic Development Service
- Planning - Energy Efficiency
- Planning - Housing Strategy
- Planning - Landscape
- Planning - Local Plan
- Street Services - Income Generating Services & Admin

3.16 The 2017/18 Audit Programme has 195 audit days provisionally set aside for these Other Audits.

3.17 One further Other Operational Audit area has been identified for potential audit work in 2017/18, this is dependent on the 2016/17 audit opinion:

- Corp Services - Museum

Productive Non-Audit Days

3.18 Productive audit time is also taken up by various non-specific audit work which includes:

- **Residual Audit Work** – to ensure timely completion of any residual 2016/17 audits;

- **Follow-up Work** – to ensure that critical and important recommendations have been implemented;
- **Irregularity Provision** – to include the provision of an independent investigation service on internal matters that require investigative and evidence gathering skills. Also to review controls post investigation as part of the core audit function;
- **Consultancy and General Advice** - to allow for changes in priorities and issues that arise during the year; extensions to reviews where further testing may be required because of control weaknesses, advice on general control issues and Financial Regulation requests etc.;
- **Committee and Member related work** – to include Committee Report preparation, liaison meetings with Governance, Audit & Performance Committee Chair and other Members and dealing with Members’ queries;
- **Contribution to Corporate Management** – to include Internal Audit Manager time spent on Disciplinary and Grievance Investigations; to include the Internal Audit Manager and Internal Auditor time spent on corporate projects and working groups;
- **Fraud Related work** – to include the Internal Audit Manager’s National Fraud Initiative Key Contact responsibilities, fraud risk assessments and anti-fraud and corruption awareness work, internal data matching exercises.

Unplanned Work

3.19 Unplanned work will be assessed and if considered high priority, carried out in preference to items in the Internal Audit Work Programme in accordance with the following criteria:

- The risks if the work is not carried out and
- The impact on the Internal Audit Work Programme.

3.20 If considered medium to low priority it will be included in the next Internal Audit Work Programme review.

4. Resources 2017/18

- 4.1 Internal Audit is provided at UDC by its in-house Internal Audit team, comprising of:
- Internal Audit Manager – full-time
 - 1 Internal Auditor - full-time
 - 1 trainee Internal Auditor – part-time, 0.7 FTE

- 4.2 The biggest impact on Internal Audit resources are special investigations and unplanned work. Priority will be given to Risk Level 4 and 3 work over any other work on the Internal Audit Work Programme if the potential audit or productive non-audit days are exceeded.
- 4.3 Giving one-off advice to departments on a range of control issues and allowing further time on audits where further testing is required also adds to the pressure on resources. If extended unplanned work is deemed to be necessary, then resource levels and the impact on the Audit Programme and the Strategic Programme will be taken into consideration.

5. Types of Audits

Lean Auditing

- 5.1. We will continue using the lean internal auditing methods to provide a high quality of assurance to Directors and Members in an effective, efficient and economical way with the resources available to us.
- 5.2 The audit needs risk assessment gives an indication of the level of risk. The Internal Audit Manager uses her judgement to assess the approximate amount of time to allocate to each area on the audit plan based on previous time spent, resources available etc. Although potential days have been given against audits, lean auditing methodology helps us to reduce the actual time taken on an audit by focussing where possible on the highest risk areas and controls.
- 5.3. At the start of each audit assignment, we will undertake a planning, evaluation and assessment process to decide the level or type of audit fieldwork that needs to be undertaken. Prior to Terms of Reference being issued for the audit, we will evaluate all of the information gathered through the planning stage and at that point we will decide on the type of audit to be undertaken:
- **Standard Audit** - concentrating on the potential risk areas identified at the audit planning stage;
 - **Audit Review** - to be the first option where it's known no major changes have occurred. This can be tailored to specific areas of concern or offered if limited ad hoc audit work is requested. May incorporate some method of self-assessment and include a level of direct Auditee involvement;
 - **High Level Review** - to be offered initially at any request for ad hoc audit work to determine what level audit is necessary, may include desk review of risk registers / Performance Indicators / Directorate and service plans and a level of direct Auditee involvement.

- 5.4 Terms of Reference are copied to Members of the Governance, Audit & Performance Committee
- 5.5 Regular review and assessment is an integral part of lean auditing methodology; where field work identifies further testing is required an audit type can be amended. If additional work leads to the time allocated being exceeded and the Internal Audit Manager considers that this work is required, extended time may be taken out of consultancy and general advice unplanned time.

6. Audit Reports & Recommendations

- 6.1. Reporting protocols will be as described in the Internal Audit Charter

Recommendations

- 6.2 All Internal Audit recommendations have a risk level given to them. This is determined according to the Council's corporate method of risk scoring, assessing the potential risks to the service and/or the Council if the recommendation is not implemented within the agreed timescale. Risk levels definitions are presented in Appendix A.
- 6.3 It is Internal Audit's expectation to reach agreement at the draft report stage with auditees on recommendations, management actions and implementation dates. However, it is for management to determine whether or not to accept the Internal Audit recommendations and to recognise and accept the implications of not taking action. Management must formally respond giving reasons for their decisions which will be recorded on the Final Report.
- 6.4 Final Reports will record the Internal Audit opinion and overall comment on the effectiveness of the service area audited. The Internal Audit opinion criteria are presented in Appendix A.
- 6.5 All Final Reports are copied to Members of the Governance, Audit & Performance Committee and posted on the intranet.
- 6.6 Implementation of all recommendations is monitored by Internal Audit through Covalent which automatically generates a reminder e-mail to managers as a recommendation approaches its agreed implementation date.
- 6.7 Follow-up action will be as described in the Audit Charter

7. Reporting to CMT and Members

Internal Audit Progress Reports to Members

7.1 During 2017/18 the Internal Audit Manager will present regular Progress Reports to CMT and the Governance, Audit & Performance Committee which will include:

- Details of the work completed by Internal Audit since the last report to the Committee;
- Performance against the Internal Audit Work Programme 2017/18;
- Details of any recommendations not implemented within the agreed timescale.

The Internal Audit Annual Report and Opinion

7.2 The Internal Audit Manager will report in May 2018 to CMT and the Governance, Audit & Performance Committee on the audit opinions of all audits completed during 2017/18 and an give an overall audit opinion on the Council's control environment for the year in the Internal Audit Annual Report and Opinion.

7.3 The Internal Audit Annual Report and Opinion will be used by the Council to inform its Annual Governance Statement 2017/18 which will accompany the 2017/18 Annual Statement of Accounts.

INTERNAL AUDIT ASSURANCE OPINION CRITERIA

Opinion	Definition	Maximum recommendations overall	Maximum number of level 4 PLUS level 3 recommendations	Maximum number of level 2 recommendations
Substantial	Good effective management of risk; no significant recommendations arising.	4	0	2
Satisfactory	Sound satisfactory management of risk; identification of some elements of the control framework that merit attention; Marginal identification of deficiencies in the control framework that result in some risks not being managed effectively and must be addressed.	8	2	6
Limited	Unsatisfactory identification of deficiencies in the control framework compromising the overall management of risks demanding immediate attention.	12	4	8
Little	Major controls have failed and/or major errors have been detected	Over 12	Over 4	Over 8

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INTERNAL AUDIT RISK LEVEL DEFINITIONS

Risk Level	Action timescale	Description
4	Immediate	Matters that are considered fundamental that require immediate attention and priority action
3	Within 6 months	Matters that are considered significant that should be addressed within six months.
2	Within 12 months	Matters that are considered important that should be addressed within twelve months.
1	None defined	Matters that merit attention and would improve overall control

Date: 28 September 2017

6

Title: Internal Audit Progress Report,
15 July to 15 September 2017

Author: Sheila Bronson, Internal Audit Manager
01799 510610

Item for decision:
no

Summary

1. To report to the Governance, Audit & Performance Committee details of work undertaken by Internal Audit since the last report to the Committee on 27 July 2017 and to provide an update on implemented and outstanding internal audit recommendations.

Recommendations

2. That the Internal Audit Progress Report (15 July to 15 September 2017) be noted

Financial Implications

3. None. There are no costs associated with the recommendations.

Background Papers

4. None

Impact

- 5.

Communication/Consultation	The Internal Audit Work Programmes 2016/17 and 2017/18 referred to in this report have been approved by the Corporate Management Team and endorsed by the Governance, Audit & Performance Committee.
Community Safety	none
Equalities	none
Health and Safety	none
Human Rights/Legal Implications	none
Sustainability	none

Ward-specific impacts	none
Workforce/Workplace	none

Situation

6. The purpose of this report is to provide management and members with:
- i) Details of the work completed by Internal Audit since the last report to the Governance, Audit & Performance Committee at its meeting 27 July 2017;
 - ii) Performance against the Internal Audit Work Programme 2016/17;
 - iii) Performance against the Internal Audit Work Programme 2017/18;
 - iv) Details of risk level 3 and 4 highest priority recommendations implemented since the last report to Members;
 - v) Details of any recommendations not implemented within the agreed timescale.

Work Undertaken by Internal Audit 15 July to 15 September 2017

7. Since the last report to the Committee:
- i) There are currently 3 audits from the 2016/17 audit programme to be concluded. Management responses are currently awaited for 1 audit; the remaining 2 audits were assigned to the Internal Audit Manager who has had to delay audit work as other corporate work has taken priority.
 - ii) Between 15 July to 15 September 2017, 4 audits from the 2017/18 audit programme were completed and final reports issued with a total of 9 recommendations made. All final audit reports issued have been copied to Governance, Audit & Performance committee Members and are available on the Council's Intranet. A summary of final reports issued between 15 July to 15 September 2017 is presented at Appendix A (i).
 - iii) Between 15 July to 15 September 2017 work has started on 3 audits from the 2016/17 Audit Programme; progress on the 2016/17 programme is presented at Appendix A (ii).

Recommendations Implemented 15 July to 15 September 2017

8. There is 1 risk level 3 recommendation which has been implemented in this period; a summary is presented at Appendix A (iii).

Recommendations Not Implemented by due date at 15 September 2017

9. As of 15 September 2017, there are no recommendations reported in Covalent as not being implemented in accordance with their agreed due dates.

Risk Analysis

10.

Risk	Likelihood	Impact	Mitigating actions
The issues highlighted in the internal audit reports are not acted upon	1 Action is already being taken towards the implementation of the recommendations contained in the reports.	2 There would be varying levels of impact from non-implementation of recommendations given the significance of the control risks identified.	Internal audit reports are followed up to ensure compliance. There are escalation procedures in the event of non compliance

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

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FINAL REPORTS ISSUED 15 July to 15 September 2017

ref	2017/18 Audits	Risk	Revised potential days	Final Report Issued	2016/17 Days Taken	Recommendations Made					Audit Opinion
						No.	Risk Level				
						total	4	3	2	1	
120	Corp Services - Day Centres	3	12	07/08/17	13.5	1	0	0	1	0	substantial
240	Planning - Conservation	3	8	09/08/17	8	2	0	0	2	0	substantial
280	Planning - Landscape	3	7	09/08/17	8	3	0	0	3	0	satisfactory
170	H&H - Environmental Health - Food Safety & Infectious Disease Control	3	12	30/08/17	13	3	0	0	2	1	substantial
						9	0	0	8	1	

LEVEL 3 RECOMMENDATION IMPLEMENTED 15 July to 15 September 2017

Internal Audit Programme 2017/18 – Revised 01 August 2017										
ref	Audit	2017/18 revised potential days	qtr	IA Risk 2017/18	Started	Draft	Final	Days Taken	Status	Comment
01C	Corporate Commercial Enterprise & Investment	15	3	4				0.00		previously 2 separate audits
02C	Corporate Governance & Ethical Culture	10	2	3	14/08/17			0.02	planning	
03C	<i>Corporate Investment - combined with 01C</i>	0	0	4				0.00		<i>combined with 01C</i>
04C	Corporate Value for Money	0	0	2				0.00		to 2018/19 if training sourced
05KF	Res - Budgets	5	4	2				0.00		
06KF	Res - Council Tax	10	2	2				0.00		
07KF	Res - LCTS	10	4	2				0.00		
08KF	Res - Main Accounting System	10	2	1	13/07/17			3.04	planning	
09KF	Res -Taxation	10	2	1	13/07/17			0.03	planning	
10KF	Corp Serv - Payroll	0	4	3				0.00		to follow-up programme; <i>kf yr 2</i>
11O	Corp Serv - Communication	10	2	3	12/06/17	13/09/17		7.96	draft	
12O	Corp Serv- Day Centres	12	1	3	09/05/17	03/08/17	07/08/17	13.49	final	new audit
13O	Corp Serv - Grants to Voluntary Organisations	10	2	3	07/08/17			3.73	testing	service changes
14O	Corp Serv - HR	10	4	4				0.00		new iTrent system
15O	Corp Serv - Leisure - PFI	10	3	3				0.00		service changes
16O	H&H - Environmental Health - Enforcement	0	0	2				0.00		to 2018/19 service changes
17O	H&H - Environmental Health - Food Safety & Infectious Disease Control	12	1	3	04/07/17	09/08/17	30/08/17	12.93	final	
18O	H&H - Community - Equality & Diversity incl Access to Services	10	3	3				0.00		

LEVEL 3 RECOMMENDATION IMPLEMENTED 15 July to 15 September 2017

190	H&H - Community - Health Improvement	10	3	3				0.00		services changes
200	H&H – Community - Safety	0	0	4				0.00		to 2018/19 service changes
210	H&H - Wellbeing - Services for Older People	10	1	3	03/05/17			6.02	testing	
220	Legal Services	10	3	3				0.00		service changes
230	Planning - Car Parking Partnership (NEPP)	10	4	2				0.00		
240	Planning - Conservation	8	1	3	10/05/17	18/07/17	09/08/17	8.12	final	service changes
250	Planning - Economic Development Service	10	2	3	14/08/17			6.00	planning	
260	Planning - Energy Efficiency	10	3	3				0.00		
270	Planning - Housing Strategy	10	4	4				0.00		
280	Planning - Landscape	7	1	3	10/05/17	18/07/17	09/08/17	7.58	final	
290	Planning - Local Plan	5	4	4				0.00		review of Reg 18 & Reg 19 consultations
300	Street Services - Trade Waste and Income Generating Services	20	1	4	25/05/17			16.41	planning	previously 2 separate audits
	Corporate Counter Fraud	p		2				0.00		dependent on 2016/17opinion
	Corporate Fleet & Fuel Management	0		3				0.00		
	Corporate Health & Safety	0		2				0.00		
	Corporate Partnerships	p		2				0.00		
	C S Museum	p		2				0.00		dependent on 2016/17opinion
TOTAL AUDIT DAYS		254						85.34		

LEVEL 3 RECOMMENDATION IMPLEMENTED 15 July to 15 September 2017

Code & Title	Description	Risk Level	Managed By	Due Date	Completed
1617 140 Business Continuity 01	It is recommended that:- . A Business Continuity Strategy is in place. . A management framework on business continuity plans should be approved and sign off by the Corporate Management Team.	3	Assistant Director of Housing & Health	31/07/18	08/08/17

Agenda Item 7

Committee: Governance, Audit and Performance
Date: 28 September 2017
Title: Annual Audit Letter 2016/17
Author: EY

Agenda Item

7

Item for
information

Summary

The Annual Audit Letter summarises the key findings from the 2016/17 audit.

Recommendations

1. The committee notes the report.

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Uttlesford District Council

Annual Audit Letter for the year ended 31 March 2017

September 2017

Ernst & Young LLP

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Public Sector Audit Appointments Ltd (PSAA) have issued a “Statement of responsibilities of auditors and audited bodies”. It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment (updated 23 February 2017)” issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Audit Letter is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure - If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

Executive Summary

Executive Summary

We are required to issue an annual audit letter to Uttlesford District Council (the Council) following completion of our audit procedures for the year ended 31 March 2017.

Below are the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the Council's: ▶ Financial statements	Unqualified - the financial statements give a true and fair view of the financial position of the Council as at 31 March 2017 and of its expenditure and income for the year then ended. The Council published its draft financial statements by the 31 May 2017, and we issued our audit opinion before the 31 July 2017, thereby achieving the 2017/18 fast close deadline a year early.
▶ Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the Annual Accounts.
Concluding on the Council's arrangements for securing economy, efficiency and effectiveness	We concluded that you have put in place proper arrangements to secure value for money in your use of resources.

Area of Work	Conclusion
Reports by exception: ▶ Consistency of Governance Statement	The Governance Statement was consistent with our understanding of the Council.
▶ Public interest report	We had no matters to report in the public interest.
▶ Written recommendations to the Council, which should be copied to the Secretary of State	We had no matters to report.
▶ Other actions taken in relation to our responsibilities under the Local Audit and Accountability Act 2014	We had no matters to report.

Area of Work	Conclusion
Reporting to the National Audit Office (NAO) on our review of the Council's Whole of Government Accounts return (WGA).	The Council is below the specified audit threshold of £350 million. Therefore, we did not perform any audit procedures on the consolidation pack.

As a result of the above we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Council communicating significant findings resulting from our audit.	Our Audit Results Report was issued on 27 July 2017.
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	Our certificate was issued on 27 July 2017.

In November 2017 we will also issue a report to those charged with governance of the Council summarising the certification work we have undertaken.

We would like to take this opportunity to thank the Council's staff for their assistance during the course of our work and congratulate them for achieving the 'fast close' deadline a year ahead of schedule.

Mark Hodgson
Executive Director
For and on behalf of Ernst & Young LLP

Purpose



Purpose

The Purpose of this Letter

The purpose of this annual audit letter is to communicate to Members and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to the attention of the Council.

We have already reported the detailed findings from our audit work in our 2016/17 Audit Results Report to the Governance, Audit and Performance Committee, representing those charged with governance, on the 27 July 2017.

We do not repeat those detailed findings in this letter.

The matters reported here are the most significant for the Council.



Responsibilities

Responsibilities

Responsibilities of the Appointed Auditor

Our 2016/17 audit work has been undertaken in accordance with the Audit Plan that we issued on 9 February 2017 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

- ▶ Expressing an opinion:
 - ▶ On the 2016/17 financial statements; and
 - ▶ On the consistency of other information published with the financial statements.
- ▶ Forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources.
- ▶ Reporting by exception:
 - ▶ If the annual governance statement is misleading or not consistent with our understanding of the Council;
 - ▶ Any significant matters that are in the public interest;
 - ▶ Any written recommendations to the Council, which should be copied to the Secretary of State; and
 - ▶ If we have discharged our duties and responsibilities as established by thy Local Audit and Accountability Act 2014 and Code of Audit Practice.

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on you Whole of Government Accounts return. The Council is below the specified audit threshold of £350 million. Therefore, we did not perform any audit procedures on the return.

Responsibilities of the Council

The Council is responsible for preparing and publishing its statement of accounts accompanied by an Annual Governance Statement. In the AGS, the Council reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Council is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Financial Statement Audit

Financial Statement Audit

Key Issues

The Council's Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

We audited the Council's Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office and issued an unqualified audit report on 27 July 2017.

Our detailed findings were reported to the Governance, Audit and Performance Committee on the 27 July 2017.

The key issues identified as part of our audit were as follows:

Significant Risk	Conclusion
<p>Management override of controls</p> <p>A risk present on all audits is that management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly, and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Auditing standards require us to respond to this risk by testing the appropriateness of journals, testing accounting estimates for possible management bias and obtaining an understanding of the business rationale for any significant unusual transactions.</p>	<ul style="list-style-type: none"> ▶ We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in preparing the financial statements; ▶ We reviewed accounting estimates for evidence of management bias with particular emphasis on Property, Plant and Equipment and accruals; and ▶ We evaluated the business rationale for any significant unusual transactions. <p>We have not identified any material weaknesses in controls or evidence of material management override.</p> <p>We have not identified any instances of inappropriate judgements being applied.</p> <p>We did not identify any other transactions during our audit which appeared unusual or outside the Council's normal course of business.</p>

Revenue and expenditure recognition

Auditing standards also required us to presume that there is a risk that revenue and expenditure may be misstated due to improper recognition or manipulation.

We respond to this risk by reviewing and testing material revenue and expenditure streams and revenue cut-off at the year end.

For local authorities the potential for the incorrect classification of revenue spend as capital is a particular area where there is a risk of management override. We therefore review capital expenditure on property, plant and equipment to ensure it meets the relevant accounting requirements to be capitalised.

- ▶ We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in preparing the financial statements;
- ▶ We reviewed accounting estimates for evidence of management bias and
- ▶ Review and test revenue and expenditure recognition policies;
- ▶ Review and discuss with management any accounting estimates on revenue or expenditure recognition for evidence of bias;
- ▶ Develop a testing strategy to test material revenue and expenditure streams;
- ▶ Review and test revenue cut-off at the period end date; and
- ▶ Tested the additions to the Property, Plant and Equipment balance to ensure that they are properly classified as capital expenditure.

Our testing has not revealed any material misstatements with respect to revenue and expenditure recognition.

Overall our audit work did not identify any issues or unusual transactions which indicated that there had been any misreporting of the Council's financial position.

Our testing did not identify any expenditure which had been inappropriately capitalised.

Other Financial Statement Risks	Conclusion
<p>Non-current Assets</p> <p>Property, Plant and Equipment represent a significant balance in the Council's accounts and are subject to valuation changes, impairment reviews and depreciation charges. Material judgemental inputs and estimation techniques are required to calculate the year-end fixed assets balances held in the balance sheet.</p> <p>The Council engages an external expert valuer who applies a number of complex assumptions. Annually, assets are assessed to identify whether there is any indication of impairment. As the Council's asset base is significant, and the outputs from the valuer are subject to estimation, there is a risk fixed assets may be under/overstated or the associated accounting entries incorrectly posted. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p> <p>This risk relates to assets that are revalued, being Dwellings, 'Other land and Buildings' and 'Surplus assets'. Vehicles, plant and equipment, infrastructure assets Heritage and community assets are held at historic cost.</p>	<p>Our approach has focused on:</p> <ul style="list-style-type: none"> • Consideration of the work performed by the Council's valuer, Wilks, Head & Eve, including the adequacy of the scope of the work performed, professional capabilities and the results of their work; • Consideration of the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code. We have also considered if there are any specific changes to assets that have occurred and that these have been communicated to the valuer; • Consideration of external evidence of assets values via reference to the specific Local Government Gerald Eve report contracted by the NAO for auditor use. Specifically we have considered if this indicates any material variances to the asset valuations performed by Wilks, Head and Eve; • Considered changes to useful economic lives as a result of the most recent valuation; • Considered whether asset categories held at cost have been assessed for impairment and are materially correct; and • Testing that the accounting entries have been correctly processed in the financial statements, including the treatment of impairments. <p>With the exception of a £0.133 million understatement of noncurrent assets, which management chose not to adjust the financial statements for, we have not identified any material issues in the valuation of assets within the Council's accounts.</p>

Pension Liabilities - IAS19

The Local Authority Accounting Code of Practice and International Accounting Standard 19 (IAS19) requires the Council to make extensive disclosures within its financial statements regarding the Local Government Pension Scheme (LGPS) in which it is an admitted body.

The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the administering body (Essex County Council).

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf.

International Standards of Auditing (ISAs) (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

Our approach has focused on:

- Liaising with the audit engagement team of the Essex Pension Fund, to obtain assurances over the information supplied to the actuary in relation to Uttlesford District Council;
- Assessing the conclusions drawn on the work and assumptions used by Barnett Waddingham (the Pension Fund actuary) by using and reviewing the work of the Consulting Actuary commissioned by Public Sector Auditor Appointments for all Local Government sector auditors, PwC; and
- Reviewing and testing the accounting entries and disclosures made within the Council's financial statements in relation to IAS19.

We have not identified any issues. Assumptions used by the actuary and adopted by the Council are considered to be generally acceptable. The sensitivities surrounding these assumptions have been correctly disclosed in Note 17 to the financial statements.

Assessment of the Group Boundary

The Council set up a new company (Aspire Holdings (UDC) Limited during 2016/17. The company is an incorporated company wholly owned by Uttlesford District Council. At the time of planning the audit there was an assumption that we would be required to assess the nature of this arrangement and the extent of transactions within the year to determine whether the company should be consolidated into the Council's financial statements.

We concluded that Aspire Holdings (UDC) Ltd falls within the Council's group boundary.

As a result of delays within the purchase of the investment property no transactions occurred within the year of account. Therefore, on the grounds of materiality (both qualitative and quantitative) consolidation is not required within the 2016/17 financial statements and therefore the preparation of group accounts was not required.

Financial statements presentation – Expenditure and funding analysis and Comprehensive income and expenditure statement

Amendments have been made to the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (the Code) this year changing the way the financial statements are presented. The new reporting requirements impact the Comprehensive Income and Expenditure Statement (CIES) and the Movement in Reserves Statement (MiRS), and include the introduction of the new 'Expenditure and Funding Analysis' note as a result of the 'Telling the Story' review of the presentation of local authority financial statements.

The Code no longer requires statements or notes to be prepared in accordance with SeRCOP. Instead the Code requires that the service analysis is based on the organisational structure under which the authority operates and reflects the Council's internal financial reporting structure.

This change in the Code has required a new structure for the primary statements, new notes and a full retrospective restatement of impacted primary statements. The restatement of the 2015/16 comparatives has required audit review which was performed in April 2017.

Our audit approach has focused on:

- Reviewing the expenditure and funding analysis, CIES and new notes to ensure disclosures are in line with the Code;
- Reviewing the analysis of how these figures are derived, how the ledger system has been re-mapped to reflect the Council's organisational structure and how overheads are apportioned across the service areas reported; and
- Agreement of restated comparative figures back to the Council's segmental analysis and supporting working papers.

Our audit identified that the Comprehensive Income & Expenditure Statement incorrectly included internal recharges. These have now been netted out. This had the impact of reducing both income and Expenditure by £21.294 million. There was no impact on the bottom line.

We also proposed some disclosure amendments that management have agreed to make in the financial statements. In particular it should be noted that the Expenditure and Funding Analysis (EFA), although positioned amongst them, is not a Primary Statement (consistent with the Code Guidance notes).

The Council's Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	Thresholds applied
Planning materiality	<p>We determined planning materiality to be £0.946 million (2016: £1.06 million), which is 2% of Gross Expenditure as reported in the accounts</p> <p>We consider Gross Expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Council.</p>
Reporting threshold	<p>We agreed with the Governance, Audit and Performance Committee that we would report to the Committee all audit differences in excess of £47,000 (2016: £53,000)</p>

We also identified areas where misstatement at a lower level than materiality might influence the reader and developed a specific audit strategy for them. They include:

- Remuneration disclosures - reduced materiality level of £5,000 applied in line with bandings disclosed; and
- Related party transactions, members' allowances and exit packages - reduced materiality level applied equal to the reporting threshold.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations.

A close-up, shallow depth-of-field photograph of a stack of coins. The coins are stacked vertically, with some showing their edges and others showing their faces. The lighting is warm, highlighting the metallic texture and the ridges on the edges. A bright yellow rectangular box is overlaid on the left side of the image, containing the text 'Value for Money'.

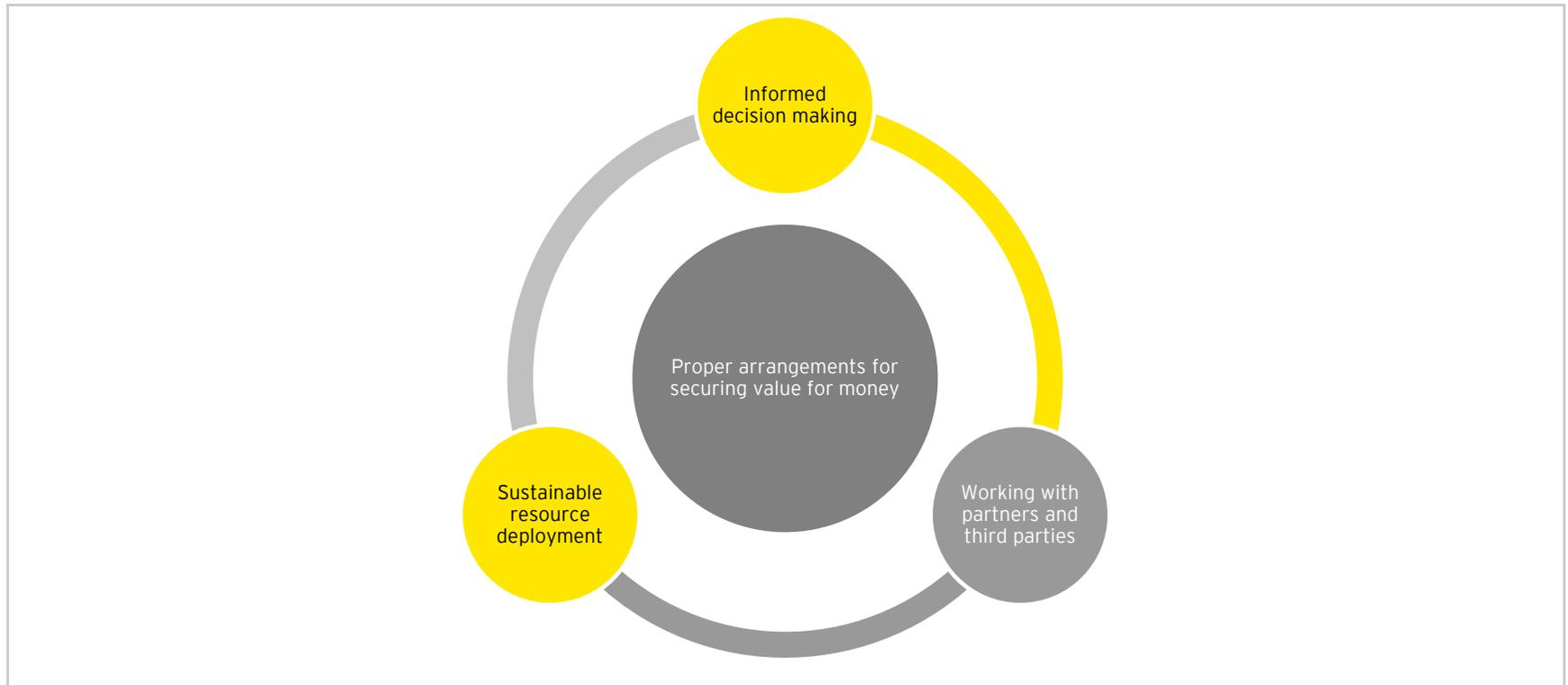
Value for Money

Value for Money

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.



We identified one significant risk in relation to these arrangements. The tables below present the findings of our work in response to the risks identified. We have performed the procedures outlined in our audit plan.

We have performed the procedures outlined in our audit plan. We did not identify any significant weaknesses in the Council's arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

We therefore issued an unqualified value for money conclusion on 27 July 2017

Significant Risk	Conclusion
<p>Deploying resources in a sustainable manner</p> <p>The Council have approved the establishment of a holding company and three subsidiaries, for rental, land agreements and property services. The Council are currently negotiating the significant purchase of investment property.</p>	<p>We have undertaken the procedures as set out in our audit strategy which have focused on:</p> <ul style="list-style-type: none"> • The Council's business case for these transactions; • The Council's governance arrangements around current transactions; and • The impact of reduced reserves and increased borrowing on the Council's medium term financial position (MTFP). <p>The Council's business case was based on the 2016/17 TFP which predicted that a surplus on the provision of services in 2017/18 would turn into a deficit in 2018/19 of £0.771 million and without action the deficit will grow to over £1.0 million per annum by 2021/22. To avoid this scenario the Council had to consider either cuts services or to increase income.</p> <p>On the 15 May 2017, the Council's wholly owned subsidiary company - Aspire (CRP) Ltd, purchased a 50% share in the Chesterford Research Park in a joint venture with Aviva Ltd. The net return is currently £2.55 million per annum, a predicted yield of 5.67%.</p> <p>The Council has borrowed money, in order to fund the investment through Aspire (CRP) Ltd.</p> <p>The Council have taken appropriate advice at all stages. A loan agreement and Articles of Association are in place between the Council and the subsidiary. Due diligence reviews has been carried out at every stage, using a number of independent experts, in order to mitigate the risk associated with such a transaction.</p> <p>Our review of the Council's business case for these transactions, the governance arrangements put in place and the impact of the transaction (primarily borrowing costs) on the Council's MTFP has not identified any significant matters.</p>

We have performed the procedures outlined in our audit plan. We did not identify any significant weaknesses in the Council's arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

We therefore issued an unqualified value for money conclusion on 27 July 2017.

Other Reporting Issues

Other Reporting Issues

Whole of Government Accounts

The Council is below the specified audit threshold of £350 million. Therefore, we did not perform any audit procedures on the consolidation pack.

Annual Governance Statement

We are required to consider the completeness of disclosures in the Council's annual governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it is misleading.

We reviewed the Annual Governance Statement. We identified that a disclosure was required to reflect the setting up of Aspire CRP Ltd and the acquisition of 50% of Chesterford Park under a joint agreement. The Council amended the annual governance statement to include these areas.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Council or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Written Recommendations

We have a duty under the Local Audit and Accountability Act 2014 to designate any audit recommendation as one that requires the Council to consider it at a public meeting and to decide what action to take in response.

We did not identify any issues which required us to issue a written recommendation.

Objections Received

We did not receive any objections to the 2016/17 financial statements from any members of the public.

Other Powers and Duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Independence

We communicated our assessment of independence in our Audit Results Report to the Governance, Audit and Performance Committee on the 27 July 2017. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

Control Themes and Observations

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we have adopted a fully substantive approach, we have therefore not tested the operation of controls. Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate significant deficiencies in internal control.

We have not identified any significant deficiencies in the design or operation of an internal control might result in a material misstatement in the financial statements.

A close-up photograph of a person's face as they look through a pair of black binoculars. The person's eyes are focused on the lenses, and their hands are visible holding the device. A bright yellow rectangular box is overlaid on the left side of the image, containing the text 'Focused on your future'.

Focused on your
future

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Area	Issue	Impact
<i>Earlier deadline for production and audit of the financial statements from 2017/18</i>	The Accounts and Audit Regulations 2015 introduced a significant change in statutory deadlines from the 2017/18 financial year. From that year the timetable for the preparation and approval of accounts will be brought forward with draft accounts needing to be prepared by 31 May and the publication of the audited accounts by 31 July.	<p>These changes provide challenges for both the preparers and the auditors of the financial statements.</p> <p>To prepare for this change the Council has reviewed and amended the closedown process over the last two years to achieve draft accounts production by 31 May for 2016/17. We issued our audit report by the 31 July 2017.</p> <p>The Council is well placed to meet the revised earlier deadline having done so in each of the last two years. However, the potential introduction of group accounts in 2017/18 increases the complexity of the closedown process and the Council needs to ensure that it reviews its timetable and builds in sufficient capacity and skills to address this issue.</p>

Appendix A Audit Fees

Our fee for 2016/17 is in line with the scale fee set by the PSAA and reported in our 27 July 2017 Audit Results Report.

Description	Final Fee 2016/17 £'s	Planned Fee 2016/17 £'s	Scale Fee 2016/17 £'s	Final Fee 2015/16 £'s
Total Audit Fee - Code Work	52,916	52,916	52,916	43,263
Certification of Claims and Returns - Note 1	TBC	19,427	22,808	11,022
Non Audit work - Note 2	7,150	-	-	
Non Audit work- Grant certification - Note 3	TBC	-	1,000	

Note 1: We have not commenced our work on the Housing Benefit grant certification. We will report the outturn fee within our Certification report.

Note 2: We supported the Council by reviewing the Council's approach to implementing the new IR35 rules for the public sector.

Note 3: This work relates to the agreed upon procedures certification arrangements for the Capital Receipts grant return.

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