



Uttlesford District Council

Chief Executive: Dawn French

Governance, Audit and Performance Committee

Date: Thursday, 15th November, 2018

Time: 7.30 pm

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

Chairman: Councillor E Oliver

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

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. A time limit of 3 minutes is allowed for each speaker. Please refer to further information overleaf.

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 Previous Meetings

5 - 12

To consider the minutes of the meeting on 27 September 2018 and the extraordinary meeting on 9 October 2018.

3	Internal Audit Progress Report, 01 September to 31 October 2018	13 - 20
	To consider the Internal Audit Progress Report.	
4	Internal Audit Charter 2018	21 - 46
	To consider the Internal Audit Charter 2018.	
5	Internal Audit of Equality and Diversity 2018	47 - 60
	To consider the Internal Audit of Equality and Diversity 2018.	
6	Community Governance Review	61 - 72
	To consider the Community Governance Review.	
7	Bi-Annual Procurement Update	73 - 80
	To consider the Bi-Annual Procurement Update.	
8	2018/19 Q2 KPI and PI Performance Report	81 - 94
	To consider the Quarter 2 KPI and PI Performance Report 2018/19.	
9	2018/19 Corporate Risk Register	95 - 108
	To consider the Corporate Risk Register 2018/19.	

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.

Agenda and Minutes are available in alternative formats and/or languages. For more information please call 01799 510510.

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Agenda Item 2

GOVERNANCE, AUDIT AND PERFORMANCE COMMITTEE held at COMMITTEE ROOM - COUNCIL OFFICES, LONDON ROAD, SAFFRON WALDEN, ESSEX CB11 4ER, on THURSDAY, 27 SEPTEMBER 2018 at 7.30 pm

Present: Councillor E Oliver (Chairman)
Councillors G Barker, J Davey, J Gordon, N Hargreaves,
D Jones, G LeCount and G Sell

Officers in attendance: R Auty (Assistant Director - Corporate Services), A Bochel (Democratic Services Officer), S Bronson (Audit Manager), P Bylo (Planning Policy Manager), S Pugh (Assistant Director - Governance and Legal) and A Webb (Director - Finance and Corporate Services)

Also present: Councillors S Howell (Cabinet Member for Finance and Administration) and H Rolfe (Leader of the Council), B Balfour (Linteum (Uttlesford) Ltd), M Lines (Aspire) and R O'Callaghan (Pario Ltd)

GAP20 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillor Light, the Leisure and Performance Manager and the Assistant Director – Facilities.

Councillor Jones declared a non-pecuniary interest as a member of the Essex Pension Fund.

GAP21 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 26 July were received and signed by the Chairman as a correct record.

GAP22 ANNUAL AUDIT LETTER 2017/18

The Committee considered the report which summarised the key findings from the 2017/18 audit.

The Assistant Director – Corporate Services said the Aspire accounts had now been fully audited.

GAP23 INTERNAL AUDIT STRATEGY AND WORK PROGRAMME 2018/19

The Committee considered the report which provided information about the review and updating of the programme.

RESOLVED to approve the revised Internal Audit Strategy and Work Programme 2018/19.

GAP24 INTERNAL AUDIT PROGRESS REPORT 01 MAY - 31 AUGUST 2018

The Committee considered the report which gave account of work undertaken by Internal Audit since the last report to the Committee on 17 May 2018.

GAP25 GENERAL DATA PROTECTION REGULATION (GDPR) COMPLIANCE PROGRESS REPORT - 27 SEPTEMBER 2018

The Committee considered the report which gave details of work being undertaken towards compliance with EU General Data Protection Regulation and the UK's Data Protection Act 2018.

The Internal Audit Manager said that only 3 of the 54 tasks were still outstanding.

In response to questions from Members, the Internal Audit Manager said the Council had only had 4 subject access requests since the implementation of GDPR. A higher amount of data breaches had been reported, but nothing had been serious enough to report to the Information Commissioner's Officer.

Members discussed concerns about confidential data on their personal IT systems. The Assistant Director – Governance and Legal Services said officers were aware of the matter and it was under consideration.

The Internal Audit Manager left the meeting.

GAP26 PFI OVERVIEW

The Committee considered the report which gave an overview of the arrangements with regards to the Leisure PFI Contract that UDC holds.

B. Balfour and R O'Callaghan from Linteum, the Council's PFI partner, attended the meeting to take questions on the operation of the contract.

The Assistant Director – Corporate Services said the Council's contract would expire in 2035, and it would be necessary to begin considering what to do after this date.

In response to a question from Members, the Assistant Director - Corporate Services said from an officer point of view, the contract was working well.

Members asked that officers keep them informed about the PFI contract so that it had a greater amount of visibility. Members expressed their appreciation of the attendance by Messrs Balfour and O'Callaghan on behalf of Linteum.

B Balfour and R O'Callaghan left the meeting.

GAP27 **REPORT OF THE ASPIRE DIRECTORS**

The Chairman moved Item 9 forward in proceedings.

Members considered the report which summarised developments since Aspire was incorporated as a wholly owned subsidiary of Uttlesford District Council.

The Director – Corporate Services said after taking into account the cost of borrowing, the Council in the year ending 31 March 2018 made a surplus of £1,427,000 from its investment in Aspire (CRP) Limited. This was in line with previous forecasts.

M Lines attending the meeting as a Non-Executive Director of Aspire said the Directors and Non-Executive Directors all had a positive relationship. The Director – Corporate Services said the Non-Executive Directors had been helpful in both challenging assumptions and reassuring officers.

M Lines left the meeting.

GAP28 **OMBUDSMAN ANNUAL REVIEW 2017/18**

The Committee considered the report which contained the annual review letter from the Local Government Association, summarising the complaints relating to the Council's services dealt with by the Ombudsman's Office for the year ended 31 March 2018.

In response to a Member question, the Assistant Director – Corporate Services said the letter would also be seen by the Scrutiny Committee.

Members asked for further information to be provided specifying which complaints had had what action taken.

GAP29 **VOTING BY BALLOT AT COUNCIL MEETINGS**

The Committee considered the report which proposed changes to the Constitution to provide for contested appointments made by the Council to be decided by way of ballot.

Councillor Sell said he thought the proposed change would result in a lack of transparency and he would not support it.

RESOLVED to recommend to Council the proposed changes to the Constitution set out in the Appendix to the report.

GAP30 LOCAL PLAN COSTS 2017/18 (TO FOLLOW)

The Committee considered the report which summarised the annual costs of the Local Plan.

The Leader of the Council said local plans were expensive, and it was fundamental to have it done well.

GAP31 DATE OF NEXT MEETING

The Assistant Director – Corporate Services said there would be an extraordinary meeting of the Committee on 9 October at 5.30pm

The meeting closed at 8.45pm.

**EXTRAORDINARY GOVERNANCE, AUDIT AND PERFORMANCE
COMMITTEE held at COMMITTEE ROOM - COUNCIL OFFICES, LONDON
ROAD, SAFFRON WALDEN, ESSEX CB11 4ER, on TUESDAY, 9 OCTOBER
2018 at 5.30 pm**

Present: Councillor E Oliver (Chairman)
Councillors G Barker, J Davey, J Gordon, N Hargreaves,
D Jones, G LeCount, B Light and G Sell.

Officers in attendance: D French (Chief Executive), R Dobson (Democratic and
Electoral Services Manager), B Ferguson (Democratic
Services Officer), and S Pugh (Assistant Director –
Governance and Legal Services).

GAP22 COMMUNITY GOVERNANCE REVIEW 2018

The Committee considered the report which outlined the recommendations of the Community Governance Review following the first period of consultation. The recommendations had taken into account submissions received, and approval was sought for the publication of these recommendations, to enable any interested parties to make representations.

RESOLVED to approve publication of the following recommendations of the Community Governance Review:

- I. In respect of the boundary review at the development known as Sector 4 at the Woodlands Park development at Great Dunmow which is located in the parish of Little Easton and shown in brown on the map (as appended).
 - a. That the existing parish boundary between Little Easton parish and Great Dunmow North ward, which is shown in green on the map, be altered as indicated on the map by a broken line marked in red, so that the area shown marked in brown, comprising the development known as Sector 4, be transferred from the parish of Little Easton to Dunmow North ward;
 - b. That in order to give effect to the outcome of the Community Governance Review of the parish boundary, a polling district for local government elections be designated in respect of the area marked in brown, The Dourdan Pavillion be designated as a polling place for such polling district;
 - c. That recommendations be made to the Local Government Boundary Commission and Electoral Commission to make a consequential changes Order to give effect to alterations to

- align the boundary of the district ward and county division with the modified parish boundary.
- d. In respect of the electoral arrangements which apply to the Great Dunmow North ward, to increase the number of the parish councillors by two.
 - e. In respect of the electoral arrangements which apply to the parish of Little Easton, to make no change in the number of the parish councillors.
- II. In respect of the electoral arrangements review for the parish of Aythorpe Roding, to increase the number of parish councillors by one.

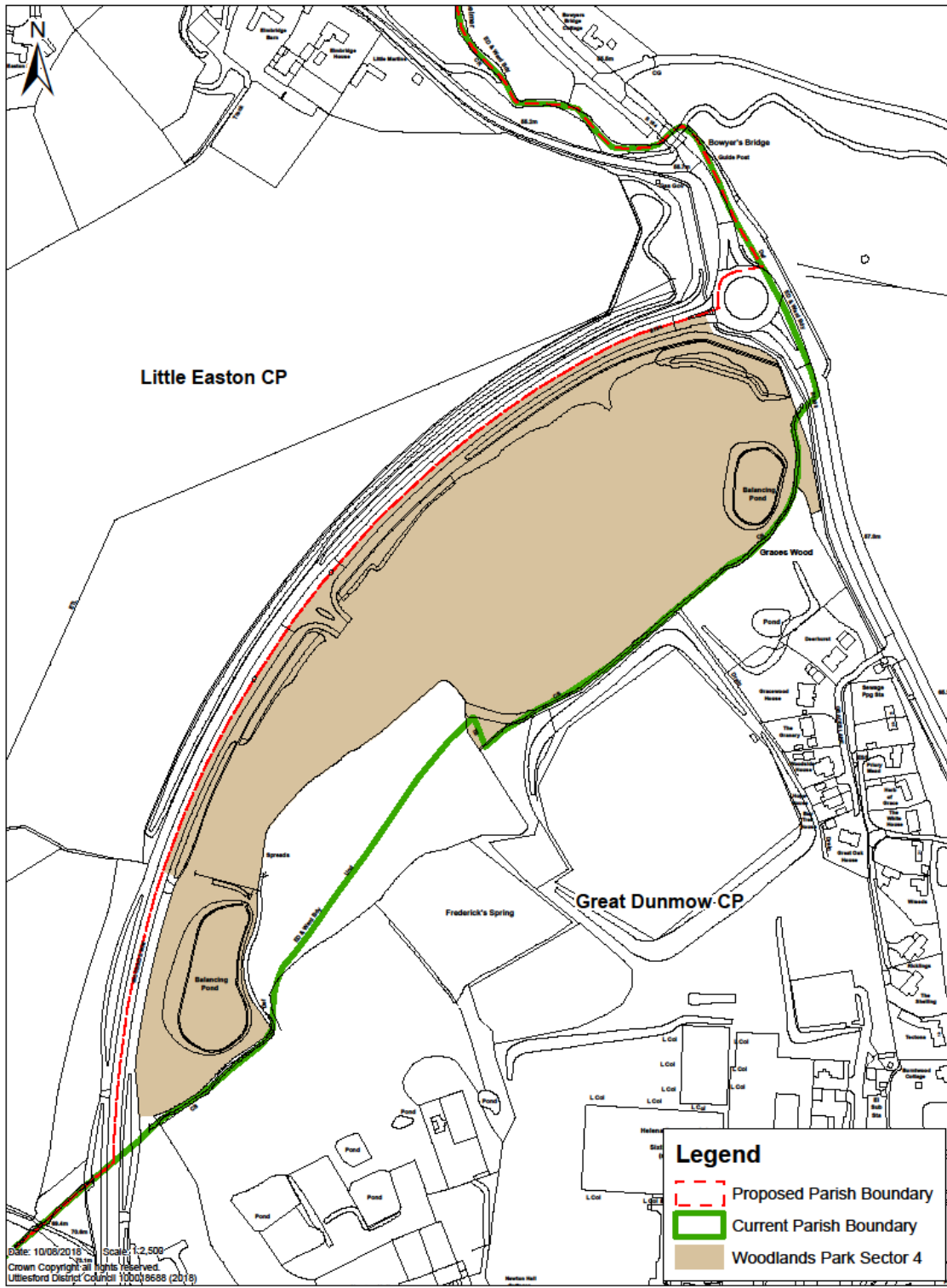
GAP23 LGA CORPORATE PEER CHALLENGE PROGRESS REPORT

The Committee received a report which provided an update on the progress made against the recommendations arising from the Local Government Association corporate peer challenge.

Members noted the good progress detailed in the report and the LGA Peer Challenge Action Plan.

The meeting ended at 5.40pm.

Proposed Parish Boundary Amendment Little Easton CP & Great Dunmow CP



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Agenda Item 3

Committee: Governance, Audit and Performance Committee

Date:

Thursday, 15
November 2018

Title: Internal Audit Progress Report, 01 September to 31 October 2018

Report Author: Sheila Bronson, Audit Manager
sbronson@uttlesford.gov.uk

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 September 2018 and to provide an update on implemented and outstanding internal audit recommendations.

Recommendations

2. That the Internal Audit Progress Report 01 September to 31 October 2018 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 Programme 2017/18 and 2018/19 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	none

Implications	
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 September 2018;
 - ii) Performance against the Internal Audit Work Programme 2018/19 ;
 - iii) Details of risk level 3 and 4 highest priority recommendations implemented since the last report to Members;
 - iv) Details of any recommendations not implemented within the agreed timescale.

Work Undertaken by Internal Audit 01 September to 31 October 2018

7. Since the last report to the Committee:
- i) The audit of Council Tax from the 2017/18 audit programme is still to be completed due to unplanned resource issues. It is now expected this audit will be completed by 30 November 2018.
 - ii) Between 01 September and 31 October 2018, 4 audits from the 2018/19 audit programme were completed and final reports issued with a total of 13 recommendations made.
 - iii) 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 is presented at Appendix A (i).
 - iv) Between 01 September and 31 October 2018 work has started on 4 audits from the Internal Audit Work Programme 2018/19. Progress on the 2018/19 programme is presented at Appendix A (ii);

Recommendations Implemented 01 September to 31 October 2018

8. No level 3 or level 4 recommendations were scheduled for implementation during this period.

Recommendations Not Implemented by due date at 31 October 2018

9. As of 31 October 2018, there are no recommendations reported in Pentana 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 & INTERIM REPORTS ISSUED**01 September to 31 October 2018**

ref	2017/18 Audits	Risk	2018/19 programme days	Final Report Issued	2018/19 Days Taken	Recommendations Made					Audit Opinion
						No.	Risk Level				
						total	4	3	2	1	
02C	Corporate Equality & Diversity	4	35	25/10/18	46.24	9	0	8	1	0	little
09KF	Housing Rents	3	10	11/09/18	9.26	1	0	1	0	0	satisfactory
10KF	Income, Fees & Charges	3	5	30/10/18	6.83	1	0	0	1	0	Substantial
26O	Planning Enforcement	3	15	02/10/18	9.80	2	0	1	1	0	satisfactory
						13	0	10	3	0	

PROGRESS ON THE AUDIT PROGRAMME 2017/18

Internal Audit Programme 2018/19										
ref	Audit	2018/19 days	qtr	IA Risk 2018/19	Started	Draft	Final	Days Taken	Status	Comment
01C	Corporate Counter Fraud	5	1	2				0.00		
02C	Corporate Equality & Diversity	35	1	4	04/04/18	17/10/18	25/10/18	46.24	final	
03C	Corporate Health & Safety	10	3	4				0.00		
04KF	HR & Payroll (combined)	15	2	4				0.00		
05KF	Budgets	5		3				0.00		
06KF	Cash & Bank	5		3				0.00		
07KF	Contracts & Procurement	10		3				0.00		
08KF	Creditors	10		4				0.00		
09KF	Housing Rents	10	2	3	02/08/18	31/08/18	11/09/18	9.26	final	
10KF	Income Fees & Charges	5	1	3	26/07/18	17/10/18	30/10/18	6.83	final	
11O	Museum	5	1	2				0.00		
12O	Democratic Services	10	2	3	14/09/18			7.62	testing	
13O	Legal Services	10	1	4	20/04/18			3.68	testing	
14O	Community Safety	10		3				0.00		

PROGRESS ON THE AUDIT PROGRAMME 2017/18

ref	Audit	2018/19 days	qtr	IA Risk 2018/19	Started	Draft	Final	Days Taken	Status	Comment
150	Environmental Health – Enforcement	15	2	3	21/08/18	17/10/18		14.22	draft	
160	Disabled Facilities Grants	10	4	3	17/09/18			0.54	planning	
170	Empty Homes & Private Sector Housing	10	4	3	17/09/18			1.01	planning	
180	Property Services - Planned Maintenance	15		3	23/10/18			1.43	planning	
190	Property Services - Stock & Voids	5	2	4				0.00		
200	Property Services – Stores	10	2	3				0.00		
210	ICT Security	10	4	3				0.00		
220	Building Control Service and Fees	10	3	3				0.00		
230	Planning - Development Management, Support & Advice	10		3				0.00		
240	Economic Development Service - business parks & communities	10	3	2				0.00		
250	Economic Development Service - Stansted Airport & LSP economic growth	10	3	2				0.00		
260	Planning – Enforcement	15	1	3	19/04/18	30/07/18	02/10/18	9.80	final	
270	Planning - Neighbourhood Plans	10		3				0.00		
280	Street Services - Trade Waste	10	1&3	3	23/04/18			3.21	testing	
TOTAL AUDIT DAYS		295						103.84		

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Committee: Governance, Audit and Performance Committee

Date:

Thursday, 15
November 2018

Title: Internal Audit Charter 2018

Report Author: Sheila Bronson, Audit Manager

sbronson@uttlesford.gov.uk

Summary

1. This report informs Members of the review and updating of the Internal Audit Charter

Recommendations

2. That Members approve the revised Internal Audit Charter 2018

Financial Implications

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

Background Papers

4. None.

Impact

- 5.

Communication/Consultation	The Internal Audit Charter 2018 has been approved by the Council's Corporate Management Team at its meeting 17 October 2016
Community Safety	none
Equalities	none
Health and Safety	none
Human Rights/Legal Implications	none
Sustainability	none
Ward-specific impacts	none

Workforce/Workplace	none
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Situation

6. With effect from 1 April 2013, the work of Uttlesford District Council's (UDC) Internal Audit is governed by the UK Public Sector Internal Audit Standards (PSIAS) which have replaced the CIPFA Code of Practice for Internal Audit in the UK. The PSIAS encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows:
 - Definition of Internal Auditing;
 - Code of Ethics, and
 - International Standards for the Professional Practice of Internal Auditing (including interpretations and glossary).

7. The PSIAS are mandatory for all internal auditors working in the UK public sector. The PSIAS were update in March 2017.

8. The PSIAS require an Internal Audit Charter to be periodically reviewed and presented to senior management and the board for approval.

9. The Internal Audit Charter 2018 has replaced the Internal Audit Charter (November 2016), the revisions are:
 - Updated through to reflect the change of committee name to Governance, Audit & Performance;
 - Updated throughout to reflect the change of the Internal Audit reporting line to the Monitoring Officer (from the Section 151 Officer);
 - Paragraph 4.9 updated to reflect the change of system name to Pentana from Covalent;
 - Paragraph 9.4 updated to reflect the current external assessment situation
 - Appendix sections 7.2, 7.3, 7.4, & 8 updated to improve escalation procedures.

10. The Internal Audit Charter 2018 is presented to this Committee for approval.

Risk Analysis

- 11.

Risk	Likelihood	Impact	Mitigating actions
Adverse External comment if the Internal Audit Charter does not comply with the PSIAS.	1 Internal Audit function is an integral part of the Council	2 Statutory requirement, adverse External Auditor Report	Regular review of Charter

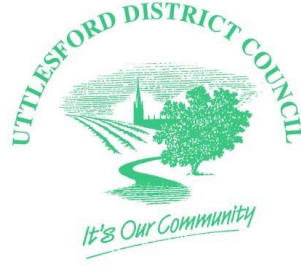
1 = Little or no risk or impact

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Internal Audit CHARTER

November 2018

INTERNAL AUDIT CHARTER

CONTENTS

- 1. Introduction**
- 2. Aims & Objectives**
- 3. Audit Planning**
- 4. Basis of Forming and Evidencing the Audit Opinion**
- 5. Outcomes**
- 6. Internal Audit Team**
- 7. Performance Management**
- 8. Governance and Strategic Framework**
- 9. Review of Effectiveness of Internal Audit**

Appendices

- A. Internal Audit Reporting Protocols**
- B. Internal Audit Assurance Opinion Criteria and Risk Level Definitions**

1 Introduction

Background

- 1.1 With effect from 1 April 2013, the work of Uttlesford District Council's (UDC) Internal Audit is governed by the UK Public Sector Internal Audit Standards (PSIAS) which have replaced the CIPFA Code of Practice for Internal Audit in the UK. The PSIAS encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows:

- Definition of Internal Auditing
- Code of Ethics, and
- International Standards for the Professional Practice of Internal Auditing (including interpretations and glossary).

Additional requirements and interpretations for the UK public sector have been inserted in such a way as to preserve the integrity of the text of the mandatory elements of the IPPF. The PSIAS are mandatory for all internal auditors working in the UK public sector. The PSIAS were updated in March 2017.

Comment [SB1]: Updated from April 2016

- 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 an Internal Audit Charter to be approved by the Board in order to define Internal Audit’s purpose, authority and responsibility. This Charter establishes Internal Audit’s position within the council and reporting lines, authorises access to records, personnel and physical property relevant to the performance of audit work, and defines the scope of Internal Audit activities.
- 1.4 The PSIAS require an Internal Audit Charter to be periodically reviewed and presented to senior management and the board for approval. The Internal Audit Charter will be reviewed and updated every two years or earlier as required.

Legislation and Guidance

- 1.5 Section 5 (1) of the Accounts and Audit Regulations 2015 states that “A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”. The UDC Internal Audit discharges the above responsibilities by conducting an objective and independent appraisal of all of the council’s activities, financial and otherwise.
- 1.6 The practice of Internal Audit is governed by the PSIAS. Internal Audit is also governed by the policies, procedures, rules and regulations established within UDC. These include schemes of delegation; financial regulations; conditions of service; counter fraud and corruption policies; procedures and HR policies. Internal Audit

takes due cognisance of external bodies, including the Chartered Institute of Internal Auditors (CIIA), CIPFA, external audit, local government bodies, together with all legislation affecting the service provided by Internal Audit.

- 1.7 The PSIAS contain a Code of Ethics which is mandatory for all internal auditors in the public sector. In addition, individual staff within the Internal Audit team are also required to adhere to the Codes of Ethics of their professional bodies where appropriate. Internal Audit staff will be reminded of the need to comply with the Code on an annual basis.

Definitions

- 1.8 The PSIAS require that the Internal Audit Charter defines the terms “Board” and “Senior Management” in relation to the work of Internal Audit. For the purposes of UDC Internal Audit work:

UDC has designated its **Governance, Audit & Performance Committee** as the **Board** for the purposes of UK Public Sector Internal Audit Standards (PSIAS) and delegated all the functions of the Board under those Standards to the Committee.

Comment [SB2]: Updated throughout to reflect change of committee name

Senior Management is defined as the members of the **Corporate Management Team (CMT)** i.e. the Chief Executive, Directors and Assistant Directors.

- 1.9 The PSIAS also refer to the **Chief Audit Executive** which in UDC is deemed to be the **Internal Audit Manager**.
- 1.10 The Internal Audit Manager is responsible for the effective review of all aspects of governance, risk and internal control throughout the full range of the Authority’s activities. However, the existence of Internal Audit does not diminish the responsibility of management to establish systems of internal control to ensure that activities are conducted in a secure, efficient and well-ordered manner.

Customers

- 1.11 The customers of Internal Audit effectively comprise all those who expect assurance to be provided on the adequacy of the control environment and the processes which support the protection of public funds. These customers include:
- The residents of Uttlesford District
 - Other UDC Service Users;
 - Local Tax Payers;
 - Central Government;
 - Members and Cabinet;
 - Head of Paid Service, Section 151 Officer and Monitoring Officer;

- Senior Management and Staff;
- Governance, Audit & Performance Committee;
- Partners;
- External Auditor.

2. Aims and Objectives

Principal Objectives

2.1 The principal objectives of UDC Internal Audit are to:

- Deliver an Internal Audit Annual Report and Opinion that can be used by the council to inform its Annual Governance Statement (AGS);
- Independently review and appraise systems of control throughout the council;
- Ascertain the extent of compliance with procedures, policies, regulations and legislation;
- Provide reassurance to management that their agreed policies are being carried out effectively;
- Facilitate good practice in managing risks;
- Provide advice and input into any significant system or procedural developments;
- Recommend improvements in control, performance and productivity in achieving corporate objectives;
- Review and challenge the economy, efficiency and effectiveness of processes and systems within the council;
- Work in liaison with the external auditors;
- Review controls to prevent and detect fraud;
- Lead and promote the counter fraud culture within the council;
- Comply with the PSIAS and other relevant guidelines and professional practice.

2.2 Internal Audit is neither an extension of nor a substitute for good management. Although Internal Audit can advise management on risk and control issues, it is the duty of management to operate adequate systems of internal control and risk management.

- 2.3 Internal Audit will carry out a continuous audit of all of the council's services by objectively examining, evaluating and reporting upon the adequacy of risk management and internal control. In doing so ensuring there is proper, economic, efficient and effective use of council resources.
- 2.4 The annual Internal Audit Opinion focuses on the overall adequacy and effectiveness of the council's framework of governance, risk management and control. This is the 'assurance' role for Internal Audit.
- 2.5 Internal Audit also provides an independent and objective consultancy service, which is advisory in nature and generally performed at the specific request of service management. The aim of the consultancy service is to help line management improve the council's risk management, governance and internal control. This is the 'consultancy' role for Internal Audit and contributes towards the overall opinion. Such consultancy work will only be undertaken where resources permit without impacting on the annual assurance process. In line with the PSIAS, approval will be sought from the Governance, Audit & Performance Committee before any significant unplanned consultancy work is accepted.

Achieving our Objectives

- 2.6 To meet the above objectives, the UDC Internal Audit function has been established as an independent team. The Internal Audit Manager reports directly to the Monitoring Officer. Direct reporting lines for the Internal Audit Manager are also established with the Chief Executive, the Section 151 Officer and the Chair of the Governance, Audit & Performance Committee as considered necessary. The Internal Audit Manager also has unrestricted access to Members (including the Leader of the Council), Directors, Assistant Directors and all Authority officers.
- 2.7 The Internal Audit Manager is also responsible for managing and co-ordinating the council's involvement in the Cabinet Office's National Fraud Initiative (NFI).
- 2.8 Internal Audit work is undertaken in accordance with the annual Internal Audit Work Programme which sets out the proposed programme of audit work for each financial year. This Internal Audit Work Programme is approved by CMT and the Governance, Audit & Performance Committee each year and reported to the Committee in summary via progress reports at each ordinary meeting.

Comment [SB3]: Updated throughout to reflect current reporting line

Independence, Access and Remit

- 2.9 Internal Audit is independent of all the activities of the council to ensure it is able to appraise the council's governance, risks and internal control systems in the impartial and unbiased manner that is essential to the proper conduct of audits.
- 2.10 To ensure this independence and in order to undertake its function effectively, Internal Audit has unrestricted access to all of the council's staff; records (whether manual or computerised); cash and property; and may enter UDC property or land to obtain any information or explanations required.

- 2.11 Such access is granted on demand, need not be subject to prior notice and also extends to partner organisations working on behalf of UDC where this has been agreed within relevant contractual arrangements in order to review, appraise and report on:
- The adequacy and effectiveness of the systems of financial, operational and management controls and as they are practiced in relation to the risks to be addressed;
 - The extent to which the assets and interests are acquired economically, used efficiently, accounted for and are safeguarded from loss arising from waste, extravagance, inefficient administration, poor value for money, fraud or other cause and that adequate business continuity plans exist;
 - The suitability, accuracy, reliability and integrity of financial and other management information and the means used to identify, measure, classify and report such information;
 - The integrity of processes and systems, including those under development, to ensure that controls offer adequate protection against error, fraud and loss;
 - The follow up action taken to remedy weaknesses identified by Internal Audit;
 - The operation of the council's Corporate Governance arrangements.
- 2.12 To promote independence and objectivity, Internal Audit neither 'owns' a system under audit nor is given any operational responsibilities within the line management structure or responsibility for any aspect of work subject to audit.
- 2.13 Where Internal Audit staff have a perceived or real conflict of interest in undertaking a piece of work; this will be managed through the Internal Audit management process. Staff are required to inform the Internal Audit Manager or the Monitoring Officer of any relationships or financial interests in any council activity subject to audit. All Internal Audit staff are required to make an Annual Declaration of Interests and Acknowledgement of their Ethical responsibilities.
- 2.14 Within the context of the above, the remit of Internal Audit at a corporate level will include audits in the following areas:
- Key Financial systems – covering all the key financial systems;
 - Major projects and procurement – contracts and procurement processes, commissioning, project management, post implementation appraisals;
 - Asset management – effective management of properties and property related risks;

- Corporate Governance – Internal Audit will make an independent assessment of the assurances being provided from within the governance structures established within UDC and co-ordinate the preparation of the council’s Annual Governance Statement;
- Performance Management – evaluation of the processes by which the council assesses, reports monitors and manages its performance;
- Risk Management – evaluation of processes by which the council assesses, reports, monitors and manages its risk;
- Information Management – including data protection, freedom of information, records management and information security;
- Information and Communications Technology – including information technology (IT) strategy and physical IT controls;
- Partnership working – both new and existing arrangements, focusing on governance, controls, risk management and performance management;
- Equality & Diversity – evaluation of the council’s strategies, policies procedures and systems and its compliance with Equality and Human Rights regulations;
- Business Continuity Planning – at corporate & service level;
- Health and safety – central and service based risks.

3. Audit Planning

3.1 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.

Internal Audit Strategic Programme

3.2 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.

3.3 All areas identified in the Strategic Programme are subject to an audit needs risk assessment to identify their risk level based on a number of risk factors including materiality, third party sensitivity and potential fraud risk. This will influence the frequency of audits and the estimated resource requirements to ensure that all potential audit areas will be audited.

3.4 The Internal Audit Strategic Programme is reviewed annually in conjunction with CMT to ensure that it remains up to date and continues to take account of emerging risks and service developments and that the focus of Internal Audit work remains relevant to the council's Plan and current priorities.

Annual Internal Audit Work Programme

3.5 The annual Internal Audit Work Programme sets out the audit work programme at the beginning of each financial year. It is a rolling programme of planned audit work that is expected to be undertaken during the financial year and is subject to regular review and updating at strategic points throughout the year.

3.6 The Internal Audit Work Programme is risk based as far as is possible, the auditing priorities are determined from a number of sources including:

- The corporate, strategic and directorate risk registers, aligned with the corporate objectives set out in the council's Corporate Plan, the Corporate Plan Delivery Plan and Service Plans to identify areas of high strategic and operational risk;
- The Internal Audit Strategic Programme identifying audit areas of highest risk, the date the audit review was last undertaken and the frequency thereof;
- Any other areas considered high risk by the Internal Audit Manager;
- Specifically requested Directorate & Service high risk areas or services following consultation with the CMT;
- Audits carried forward from the previous years' 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.

3.7 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.

3.8 Further details on the production of the Internal Audit Strategic and Work Programmes are given in the annual Internal Audit Strategy.

Other Information Sources

3.9 Awareness of national issues is maintained through subscription to internet resources such as CIPFA's Technical Information Service. In addition there is liaison with external audit and networking with other local authority audit teams specifically through the Essex, the London and the Midlands Audit Groups. These audit groups have

regular meetings during the year and active e-mailing networks to discuss topical issues, emerging risks and progress specific initiatives and sharing of audit planning methodology and points of practice.

Reviewing the Programme

- 3.10 The initial Internal Audit Work Programme for the upcoming financial year is approved by CMT and the Governance, Audit & Performance Committee. Details of reviews and updating of the Programme are included in the Internal Audit Progress Reports to the Governance, Audit & Performance Committee.
- 3.11 The Internal Audit Work Programme is subject to regular review and updating at strategic points throughout the year generally:
- March / April to determine the proposed audit work for quarters 1 & 2 of the new financial year;
 - June / July to determine proposed audit work for quarters 2 and 3 of the financial year;
 - September / October to determine proposed audit work for quarters 3 and 4 of the financial year;
 - At any other relevant point during the year.

Non-specific Audit Time

- 3.12 The Internal Audit Work Programme includes non-specific audit time allocated for:
- Residual Audit Work – to ensure timely completion of any residual previous year's audits;
 - Follow-up Work – to ensure that 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 Member queries;
 - Contribution to Corporate Management – to include the Internal Auditor time spent on corporate projects and working groups;

- Fraud Related work – to include National Fraud Initiative (NFI) Key Contact responsibilities and anti-fraud and corruption awareness work.

4. Basis of Forming and Evidencing the Audit Opinion

Audit Approach

- 4.1 Internal Audit is responsible for providing an annual opinion on the internal control environment for the Council as a whole. A risk based approach is taken with individual audit reviews embracing operational and management controls and the wider business risks. This allows an opinion to be expressed on risk identification & exposure and the adequacy of systems in place to manage those risks.

Key Financial and Other audit work

- 4.2 The annual Internal Audit Work Programme governs each year's activity and, to enable the work to be planned and delivered effectively, audit coverage is prioritised and categorised between

- Key Financial
- Corporate
- Other

- 4.3 Key Financial audit work relates to those areas where Internal Audit review or support will generally add greatest value to the organisation. The audits within this category will be given highest priority in the event of competing demands for Internal Audit resources.

- 4.4 Corporate audit work relates to those areas where the overall responsibility lies at Corporate rather than service level

- 4.5 Other audit work complements the work from the Key Financial and Corporate programmes and ensures an adequate level of Internal Audit review each year throughout the council's services. Whilst the individual reviews are initially agreed with the service Directors and Assistant Directors at the start of each year, it is also accepted that should the need arise audit work may be directed towards other emerging risks or investigations as required. Overall levels of input will remain broadly as agreed which means that the levels of assurance work are aligned with the initial levels of risk identified. This approach enables a wide range of coverage for a formal audit opinion to be formed.

Audit Reporting

- 4.6 At the completion of each audit a report is produced for management with recommendations for improvement where considered appropriate; such recommendations are agreed with management together with accountability for action

and timescales for completion. The Internal Audit Reporting Protocols are presented in Appendix A.

- 4.7 For each report issued, the recommendations are categorised as risk 1 to 4, with 4 being the highest risk and each report relating to planned audit work contains an opinion on the level of assurance of internal controls operating within the area being audited, ranging from “substantial” to “little”. The Internal Audit Assurance Opinion Criteria and Risk Level Definitions are presented in Appendix B.

Monitoring

- 4.8 The progress of the Internal Audit Work Programme is monitored on an on-going basis through:
- Monthly meetings between the Internal Audit Manager and the Monitoring Officer;
 - Periodic meetings with CMT;
 - Internal Audit Progress Reports to the Governance, Audit & Performance Committee;
 - Periodic meetings with external audit.

This ensures that audit coverage will be sufficient to ensure an overall opinion can be given on the control environment.

Recommendations

- 4.9 All audit recommendations are monitored by Internal Audit using Pentana which records all recommendations made and their status at any given time. Pentana also sends automated trigger e-mails to managers as a management action approaches its implementation date. Audit recommendations are followed up on an on-going basis with status reports included in the regular Internal Audit reports prepared for the Governance, Audit & Performance Committee, specifically to highlight any significant actions which have not been completed within agreed timescales. Audit recommendations are also subject to follow up as part of a rolling programme of review and as a matter of course recommendations made in a previous audit are followed up at the next audit.

Comment [SB4]: Updated to reflect change of system name

Audit Opinion

- 4.10 The annual assessment of the council's overall internal control environment is based on the collective view of all the opinions and outcomes of all audit work undertaken during the course of each year. A full summary is included in the Internal Audit Annual Report and Opinion presented to the Governance, Audit & Performance Committee. The annual opinion then forms part of the review of the effectiveness of the Council's governance framework and is included in the Annual Governance Statement.

External Auditor

- 4.11 In the performance of their work the External Auditor expects to be able to review the Internal Audit work on key financial systems and its assessment of system controls. Internal Audit aims to maintain a good working relationship with the external auditors, and expects to hold regular liaison meetings between the Internal and External Audit managers.

5. Outcomes

5.1 The main outcomes from the work of Internal Audit are:

- The delivery of the annual Internal Audit Work Programme, taking into account necessary changes for unplanned work and revised priorities in the context of new emerging risks and requests for investigations into specific issues;
- The issue of audit reports at the conclusion of each audit;
- The follow up of progress on implementation of agreed audit recommendations;
- The provision of regular reports to the Governance, Audit & Performance Committee summarising the audit work completed since the previous meeting and the key issues and conclusions derived from that work in terms of the control environment and management of risks;
- The provision of an Internal Audit Annual Report and Opinion on the effectiveness of the overall control environment presented to the Governance, Audit & Performance Committee which will also be included in the Annual Governance Statement which accompanies the Annual Statement of Accounts for the Authority;
- The investigation of referrals of cases of suspected financial irregularity, fraud or corruption;
- The provision of ad hoc advice on control and governance issues.

6. Internal Audit Team

6.1 The size of the Internal Audit team required is evaluated from the Internal Audit Strategic Programme and is subject to review and consideration by the Internal Audit Manager in liaison with CMT and the Governance, Audit & Performance Committee to ensure it remains adequate to deliver an effective service and an annual opinion. Regular updates to the Governance, Audit & Performance Committee are provided through the Internal Audit Progress reports.

6.2 The current level of resource of:

- Internal Audit Manager – full-time
- 1 Internal Auditor - full-time
- 1 Internal Auditor - part-time, 0.7 FTE

is considered adequate to ensure delivery of a basic Annual Audit Programme needed to provide the necessary assurance on the effectiveness of the systems of internal control.

- 6.3 The Internal Audit section includes a range of qualified and part-qualified staff. The PSIAS require that the Internal Audit Manager must hold a relevant professional qualification (CMIIA, CCAB or equivalent) and be suitably experienced. The current Internal Audit Manager holds both the CMIIA and PIIA (Chartered Institute of Internal Auditors UK & Ireland) and the QIAL and CIA (Global IIA) qualifications and has been in the present role since 2007.
- 6.4 Although the annual Internal Audit Work Audit Programme sets out the potential number of audit days allocated for each year; the working arrangements provide for a flexible approach between clients whereby audit days or expertise can be transferred depending upon any additional work that may be required.
- 6.5 All audits are performed by staff with qualifications and experience appropriate to the work undertaken and Internal Audit's quality control procedures require some supervisory input into all work by the Internal Audit Manager.
- 6.6 Individual members of the Internal Audit team have a personal responsibility to undertake a programme of continuing professional development to maintain and develop their competence. This will be achieved through professional training, attendance at ad-hoc seminars and in-house training courses. Training needs are assessed on an on-going basis and are formally reviewed at least annually as part of the council's U-Perform process.

7. Performance Management

- 7.1 The performance of the Internal Audit function is measured through the use and monitoring of performance indicators some of which are reported to CMT and the Governance, Audit & Performance Committee in the Internal Audit Progress Report and the Internal Audit Annual Report and Opinion.
- 7.2 Feedback on Internal Audit is requested from audit clients through Post Audit Questionnaires (PAQ) issued at the end of each audit assignment. This enables Internal Audit to identify and respond to any specific performance issues promptly to ensure efficiency and effectiveness is maintained, as well as ensuring the needs and expectations of clients are fully considered on an on-going basis.

Performance Indicators

- 7.3 There are Internal Audit performance indicators which are monitored monthly by the Internal Audit Manager and are the basis of some of the objectives set for the Internal Audit Team in their U-Perform appraisals. The indicators are:
- %age of audits completed within the allocated time;
 - %age of planned audits completed to Draft report stage;
 - %age of planned audits completed to Final report stage;
 - %age of time spent on productive audit and non-specific audit work;
 - %age of customer satisfaction from PAQs returned.
- 7.4 Some of these indicators are also compared periodically with data from the Essex and Midlands Audit Groups.

8. Governance and Strategic Framework

- 8.1 Each local government body operates through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes. The corporate governance framework published by CIPFA in 2016 “Delivering Good Governance in Local Government” defines the principles that should underpin the governance of each local government body. It provides a structure to help authorities with their own approach to governance and contains six core principles focusing on:
- The purpose of the authority and on the outcomes for the community, and creating and implementing a vision for the local area;
 - Members and officers working together to achieve a common purpose with clearly defined functions and roles;
 - Promoting values for the authority and demonstrating the value of good governance through upholding high standards of conduct and behaviour;
 - Taking informed and transparent decisions which are subject to effective scrutiny and risk management;
 - Developing the capacity of officers to be effective;
 - Engaging with local people and other stakeholders to ensure robust public accountability.
- 8.2 The framework is intended to be followed as best practice for developing and maintaining a local code of corporate governance and for discharging responsibility for the proper conduct of public business, and this is summarised within the Annual Governance Statement (AGS). Time is included in the annual Internal Audit Work

Programme to evaluate the effectiveness of the governance arrangements on an annual basis and independently challenge the assurances which underpin the AGS.

9. Review of Effectiveness of Internal Audit

- 9.1 The Internal Audit Annual Report and Opinion provides an overview of the work and performance of Internal Audit throughout each year. This report provides an assurance of the effectiveness of the Internal Audit service during the year.
- 9.2 Details of work performed by Internal Audit during the year are summarised in the progress reports to the Governance, Audit & Performance Committee, thereby providing an on-going view of the effectiveness of the overall internal control environment and also providing the Members with an opportunity to challenge both the audit process and relevant officers in relation to specific issues identified within Service areas.
- 9.3 Internal Audit complete an annual self-assessment against the PSIAS from which areas of non-conformance are addressed in the Internal Audit Quality Assurance & Improvement Programme (QAIP). The results of this annual self-assessment and progress against the QAIP are reported to the Governance, Audit & Performance Committee in the Internal Audit Annual Report and Opinion.
- 9.4 The PSIAS require an external assessment of Internal Audit every five years. An external assessment of the Uttlesford Internal Audit Service was completed in September 2017; the next external assessment must be completed by September 2022. Whilst the PSIAS are not prescriptive in terms of how this should be fulfilled, CIPFA guidance indicates that external assessments can be in the form of a full external assessment, or a self-assessment with independent external validation. Furthermore, an independent assessor or assessment team means not having either a real or an apparent conflict of interest and not being part of, or under the control of, the organisation to which the internal audit activity belongs.

Comment [SB5]: Updated to reflect the current external assessment situation

INTERNAL AUDIT REPORTING PROTOCOLS

1. Chief & Main Auditees

- 1.1 The Chief Auditee will be the member of the Corporate Management Team to whom the head of the service area being audited reports.
- 1.2 The Main Auditee will be the service manager with direct operational responsibility for the area being audited.

2. Terms of Reference

- 2.1 The Terms of Reference for an audit will be agreed with the Chief and Main auditees.
- 2.2 The Assistant Director of Resources will be consulted on the Terms of Reference of all Key Financial audits.
- 2.3 Once agreed, a copy of the Terms of Reference will be sent to Members of the Governance, Audit & Performance Committee

3. Audit Progression

- 3.1 Internal Audit will carry out reviews and evaluations as an audit progresses. At any time during an audit, testing may identify that it would be more effective and efficient to:
 - Stop audit field work at a given point;
 - Consider issuing an interim report with recommendations and agreed realistic implementation time (to a max of 6 months) and
 - Return once the interim recommendations have been implemented to complete the audit.

4. Findings & Recommendations

- 4.1 Internal Audit will hold informal discussions with Chief and Main auditees of our findings & evaluation and proposed recommendations & management actions. All non-confidential or sensitive working papers will be made available on request to auditees. Management will be advised of examples of good practice; exceptional working etc. where identified during the audit and confirmation of these will be given by e-mail to managers and staff on request.

5. Draft Report and Management Action Plan

- 5.1 Within 5 days of completion of our audit fieldwork, a Draft Report with recommendations and management actions will be circulated to auditees for:
1. final agreement and comment;
 2. assignment of management action responsibilities and
 3. the expected implementation date for each recommendation.
- 5.2 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 and be reported to the Governance, Audit & Performance Committee.
- 5.3 The Draft Report and completed Management Action Plan is to be returned to Internal Audit within 10 working days of issue.

6. Final Report

- 6.1 The Final Report will record only:
- The Internal Audit Opinion;
 - The overall comment on the effectiveness of the audited service;
 - The Management Action Plan detailing recommendations and their risk ratings, agreed management action and implementation dates.
- 6.2 The Final Report will be sent to the Chief Auditee for overall agreement and signature.
- 6.3 The Final Report will be issued to the Chief Auditee and copied for information to the Chief Executive; the Monitoring Officer; The Section 151 Officer; the Director of Public Services; the Main Auditee and other staff as appropriate.
- 6.4 A copy of each Final Report issued will be sent to Members of the Governance, Audit & Performance Committee and posted on the intranet.
- 6.5 Implementation of all recommendations is monitored by Internal Audit through Pentana which automatically generates reminder e-mails to managers as a recommendation approaches its agreed implementation date.

- 6.6 A Post Audit Questionnaire will be sent to the Chief Auditee and other relevant officers for completion and return to the Internal Audit Manager.

7. Escalation Procedures

- 7.1 To ensure the timely issue of a Final Report for an audit, a reminder will be sent to the auditees concerned on the **10th working day** following the issue of a Draft Report if it has not already been returned to Internal Audit.
- 7.2 If a Draft Report remains outstanding, further reminders will be sent every **5 working days** via the Chief Auditee for the service concerned.
- 7.3 A reminder will be sent to the Chief Auditee on the **10th working day** following the sending out of a draft Final Report & Management Action Plan for overall agreement and signature, if it has not already been returned to Internal Audit.
- 7.4 If a draft Final Report & Management Action Plan remains outstanding, further reminders will be sent every **5 working days** via the Director for the service concerned.
- 7.5 Any persistent outstanding draft Final Report & Management Action Plan will be reported to the Monitoring Officer, CMT and Governance, Audit & Performance Committee in the next reporting cycle.
- 7.6 Internal Audit will follow up all the recommendations on the Management Action Plan to ascertain the extent to which agreed actions are actually implemented.
- 7.7 Recommendations will be followed up prior to meetings of the Governance, Audit & Performance Committee and are also subject to followed up as part of a rolling programme of review from the earlier of 6 months after the issue of the Final Report or 1 month after the latest implementation date of action.
- 7.8 Progress on implementation of recommendations is reported to Members at each meeting of the Governance, Audit & Performance Committee.

Comment [SB6]: Updated to improve escalation procedures

8. Key Target Dates

The key target dates associated with reporting are summarised below:

Target date	Key task
On completion of audit fieldwork	Findings & evaluation and proposed recommendations & management actions discussed with auditees.
Within 5 working days of completing audit fieldwork	Draft Report circulated to auditees for management agreement on actions, assigned responsibilities and implementation dates.
Within 10 working days of issuing the Draft Report and Management Action Plan	Draft Report and Management Action Plan with agree actions, assigned responsibilities and implementation dates returned to Internal Audit.
Within 1 working day of the return to Internal Audit of Draft Report	Final Report sent to Chief Auditee for signature.
Within 10 working days of the Final Report and Management Action Plan being sent for signature	Signed Final Report and Management Action Plan returned to Internal Audit.
Within 1 working day of the return to Internal Audit of signed Final Report	Final Report issued.
The earlier of 6 months after the issue of the Final Report or 1 month after the latest implementation date of action	Follow-up action on Management Action Plan recommendations

Comment [SB7]: Updated to improve escalation procedures

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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

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Committee: Governance, Audit and Performance Committee

Date:

Thursday, 15
November 2018

Title: Internal Audit of Equality & Diversity 2018/19

Report Author: Sheila Bronson, Audit Manager

sbronson@uttlesford.gov.uk

Summary

1. The Internal Audit of Corporate Equality and Diversity 2018/19 was completed in October 2018 and the Final Report containing the agreed recommendations and management action plan has been circulated to members of this committee.

Recommendations

2. That members review the information contained in Internal Audit of Corporate Equality and Diversity 2018/19 Final Report and refer any queries they may have to council officers present at the meeting.

Financial Implications

3. Whilst there are no financial implications directly arising from the audit report, implementing the Management Action Plan will involve a significant amount of work. However, officers expect to be able to deliver the Management Action Plan within existing resources.

Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.
 - The Equality Framework For Local Government (EFLG) 2018 version

Impact

- 5.

Communication/Consultation	The Council's Corporate and Senior Management have worked with Internal Audit throughout our audit work. The Final Report and its Recommendations have been discussed and agreed with the Council's Corporate Management Team
Community Safety	none

Equalities	The completion of the internal audit report and the development of the Management Action Plan represent significant steps towards the 'achieving' level of the Equality Framework For Local Government (EFLG)
Health and Safety	none
Human Rights/Legal Implications	The Council has a legal obligation to take account of the public sector equality duty in the exercise of all its functions. The audit and implementation of the Management Action Plan will help to ensure that the Council can demonstrate that it is meeting its legal obligations in this regard.
Sustainability	none
Ward-specific impacts	none
Workforce/Workplace	Implementation of the Management Action Plan will help to ensure that the Council can demonstrate that it is meeting its legal obligations in employment with regard to equal treatment and the public sector equality duty.

Situation

6. Internal Audit commenced work on the Audit of Corporate Equality and Diversity in April 2018; the Terms of Reference for the audit were agreed with the Chief Executive as Chief Auditee, and issued on 17 May 2018 and copied to members of this committee on 18 May 2018.
7. The Final Report for the audit was issued on 25 October 2018 and copied to members of this committee on 25 October 2018 and is reproduced as the appendix to this report.
8. In the Final Report, our overall opinion is that, based on the findings from our audit work, the Council is currently at the '**Developing**' authority level when measured against the Equality Framework for Local Government (EFLG).
9. We have made nine recommendations aimed at improving governance, monitoring, reporting and compliance to equality legislation.
10. The EFLG has five performance areas:
 1. Knowing Your Community
 2. Leadership, Partnership and Organisational Commitment
 3. Involving Your Communities
 4. Responsive Services and Customer Care

5. Skilled and Committed Workforce

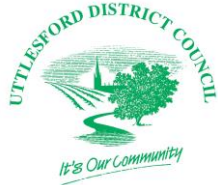
11. The objective for this audit was to provide assurance on the Council's current level of achievement measured against the three levels in the EFLG:
 - Developing
 - Achieving
 - Excellent
12. The scope of the audit was to concentrate primarily on co-ordinating a self-assessment by corporate and senior managers of their services' current levels of achievement against the EFLG from which an evaluation of the responses could be made to provide an overall opinion on the Council's current position and make recommendations for management to consider and action.
13. At our auditing planning stage, eight main potential risk areas were identified on which we based our evaluation of the self-assessment responses:
 - a) Failure to implement and review the Single Public Sector Equality Duty;
 - b) Failure to measure the council against the EFLG;
 - c) Failure to produce Equality Impact Assessments where required;
 - d) Failure to ensure that there are sufficient staff resources to implement the EFLG;
 - e) Failure to train staff in Equality & Diversity;
 - f) Failure to embed sound Equality & Diversity principles throughout the authority which would make it difficult to then promote these ideals to the community;
 - g) Failure to provide accurate and up to date information provided on the Council's website;
 - h) Failure to consult with all groups to ensure compliance with the EFLG
14. A self-assessment questionnaire was prepared in line with the EFLG and a series of 1:1 meetings were held with the Senior Manager Team (SMT).
15. An Interim Report based on the SMT responses was drafted for discussion with the Corporate Management Team (CMT) and further meetings were held with CMT and their Senior Managers to consider the self-assessment responses.
16. A Draft Report with findings and recommendations were discussed in detail with CMT who have agreed the recommendations, Management responsibilities, actions and implementation dates.
17. The Final Report contains the overall Internal Audit Opinion, Recommendations and the agreed Management Action Plan.

Risk Analysis

18.

Risk	Likelihood	Impact	Mitigating actions
The Council fails to meet its obligation on Equality and Diversity	3 The Council has not undertaken the required level of internal actions to be able to assess its current compliance with equality legislation	3 The Council could face financial and reputation damage if it does not comply with equality legislation	The recommendations in the Internal Audit Report are implemented

- 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.



**Internal Audit
FINAL REPORT**

CORPORATE AUDIT of EQUALITY & DIVERSITY 2018/19

To: Dawn French, Chief Executive

For Information: Adrian Webb, Director of Finance & Corporate Services
Roger Harborough, Director of Public Services
Simon Pugh, Assistant Director Governance & Legal (Monitoring Officer)
Richard Auty, Assistant Director Corporate Services
Corporate Management Team

Report issue date: 25 October 2018

Audit Opinion: LITTLE

Overall comment on the effectiveness of the service:

Our overall opinion is that, based on the findings from our audit work, the Council is currently at the 'Developing' authority level when measured against the Equality Framework for Local Government (EFLG).
We have made nine recommendations aimed at improving governance, monitoring, reporting and compliance to equality legislation.

Recommendations (summary):

TOTAL	9
LEVEL 4	0
LEVEL 3	8
LEVEL 2	1
LEVEL 1	0

Issued by: Meng-Chee Leong, Internal Auditor
Sheila Bronson, Internal Audit Manager

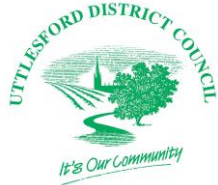


Internal Audit FINAL REPORT

CORPORATE AUDIT of EQUALITY & DIVERSITY 2018/19

Management Action Plan

Ref	Recommendation	Risk 1-4	Agreed / Not agreed	Officer Responsible	Officer Comments	Implementation date
01	<p>It is recommended that :-</p> <p>a) Resources are identified to coordinate equality for the Council together with active Member representation.</p> <p>b) Officers review the methodologies of engagement with representatives of people with protected characteristics.</p> <p>c) Consideration is given to establishing an equality forum to meet periodically.</p>	3	Agreed	Richard Auty	<p>a) The resource will be identified as part of a planned restructure within Corporate Services</p> <p>Cllr Susan Barker is the Equality and Diversity Member and will be invited to attend relevant meetings</p> <p>b) Work to be undertaken once the relevant person is in post</p> <p>c) Consideration to be given once the relevant person is in post</p>	<p>January 2019</p> <p>November 2019</p> <p>March 2019</p> <p>March 2019</p>



Internal Audit

FINAL REPORT

CORPORATE AUDIT of EQUALITY & DIVERSITY 2018/19

Ref	Recommendation	Risk 1-4	Agreed / Not agreed	Officer Responsible	Officer Comments	Implementation date
02	It is recommended that staff attend refresher workshops or training to raise their understanding and awareness on the requirement to align operations and service delivery to the Single Equality Duty and the Equality Framework for Local Government (EFLG).	3	Agreed	To be agreed (see 01)	Training will be organised once the relevant person is in post	March 2019
03	It is recommended that the Council reviews the ways in which it collects the equality information and performance data needed to assess compliance with its equality duty and to identify areas in which action is required.	3	Agreed	To be agreed (see 01)	Regular audits of this will be undertaken once the relevant person is in post	March 2019



Internal Audit

FINAL REPORT

CORPORATE AUDIT of EQUALITY & DIVERSITY 2018/19

Ref	Recommendation	Risk 1-4	Agreed / Not agreed	Officer Responsible	Officer Comments	Implementation date
04	It is recommended that:	3				
	a) a corporate decision be made to ensure a single source of demographics data be identified and made available; and that Officers are informed of its availability for the equality framework measurement.		Agreed	Bruce Tice	Investigations will take place to identify the most robust source of demographic data available to the council taking account of cost.	March 2019
	b) equality objectives in the Single Equality Duty be reviewed, monitored, reported and published.		Agreed	To be agreed (see 01)	Work to be undertaken once the relevant person is in post	February 2019
	c) equality outcomes are identified and a consistent methodology on data collection should be agreed.		Agreed	To be agreed (see 01)	Work to be undertaken once the relevant person is in post	February 2019
	d) equality objectives / outcomes identified are linked to service plans, operations and staff appraisals and monitored for reporting and publication.		Agreed	To be agreed (see 01)	Work to be undertaken once the relevant person is in post	February 2019



Internal Audit

FINAL REPORT

CORPORATE AUDIT of EQUALITY & DIVERSITY 2018/19

Ref	Recommendation	Risk 1-4	Agreed / Not agreed	Officer Responsible	Officer Comments	Implementation date
05	It is recommended that the objectives and action plans set out in the Council's Comprehensive Equality Policy be reviewed and aligned to the Equality Framework for Local Government (EFLG).	3	Agreed	To be agreed (see 01)	Work to be undertaken once the relevant person is in post	January 2019
06	It is recommended that: a) the Council should review its recruitment policy, workforce strategy, training policy, and appraisals policy to ensure Equality outcomes or objectives are met. b) the Council should improve on the publication of equality information on workforce and employment related issues for example <ul style="list-style-type: none"> • recruitment • promotion • grievances • disciplinary action 	3	Agreed	Richard Auty	Equalities issues will be reviewed as part of policy updates.	March 2019
			Partially Agreed	To be confirmed	The low number of incidences of some of these issues would mean publishing data to the level expressed could identify individuals. A suitable high level report will need to be	March 2019



Internal Audit

FINAL REPORT

CORPORATE AUDIT of EQUALITY & DIVERSITY 2018/19

Ref	Recommendation	Risk 1-4	Agreed / Not agreed	Officer Responsible	Officer Comments	Implementation date
	<ul style="list-style-type: none"> • dismissals • other reasons for leaving • flexible working patterns • pregnancy • maternity leave etc. <p>while recognising that the small data population will mean detailed reporting may not be possible in some areas</p> <p>c) It is recommended that the Council should give consideration to promoting a culture of inclusion through a staff support network</p>		Agreed	To be confirmed (see 01)	developed Consideration will be given	March 2019
07	<p>It is recommended that: -</p> <p>a) The Equality Impact Assessments (EqIA) Tool be reviewed to ensure it is fit for purpose and training is provided on why an EqIA is undertaken and how to use the tool.</p>	3	Agreed	To be confirmed (see 01)	A review will be undertaken once the new person is in post	January 2019



Internal Audit

FINAL REPORT

CORPORATE AUDIT of EQUALITY & DIVERSITY 2018/19

Ref	Recommendation	Risk 1-4	Agreed / Not agreed	Officer Responsible	Officer Comments	Implementation date
	b) Procedures are in place for the publication of EqlAs on the Council's website.		Agreed	To be confirmed (see 01)	EqlAs will be published on the website/intranet as they are produced/ Amended. Any EqlAs currently produced for Cabinet or Council are already published	November 2019
08	<p>It is recommended that the Equality & Diversity information on the Council's website be reviewed, updated and improved upon together with a joined up approach that links to the following:</p> <p>a) Where service reporting is integrated with equality.</p> <p>b) The Equality Act 2010 (www.gov.uk/guidance/equality-act-2010-guidance) to raise awareness for</p>	3	Agreed	To be confirmed (see 01)	A review of the website content will be undertaken to ensure it is up-to-date and informative. However this will follow SOCITM and gov.uk best practice and may not result in the specific content mentioned in this recommendation being included.	February 2019



Internal Audit

FINAL REPORT

CORPORATE AUDIT of EQUALITY & DIVERSITY 2018/19

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Ref	Recommendation	Risk 1-4	Agreed / Not agreed	Officer Responsible	Officer Comments	Implementation date
	<p>members of the public, current & potential contractors and to provide guidance to Officers.</p> <p>c) The Council's service reports on Health Equalities, Community Safety Partnership, working with the Voluntary sector to reduce social isolation.</p>					
09	It is recommended that consultation feedback is reviewed and integrated with equality reporting.	2	Agreed	Corporate Management Team	Senior managers will need to take responsibility for ensuring appropriate monitoring is carried out during consultations	November 2019

Agreed

Chief Auditee

Date 26th October 2018

INTERNAL AUDIT ASSURANCE OPINION CRITERIA & RISK LEVEL DEFINITIONS

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

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

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Committee:	Governance, Audit and Performance Committee	Date:	Thursday, 15 November 2018
Title:	Community Governance Review - final reportRecommendations		
Report Author:	Rebecca Dobson, Democratic and Electoral Services Manager rdobson@uttlesford.gov.uk		

Summary

1. The Committee agreed at its meeting on 26 July 2018 to undertake a community governance review, of targeted scope, in relation to the parishes of Little Easton, Great Dunmow North ward, and Aythorpe Roding. The Committee is asked to approve final recommendations as follows.

Recommendations

2. That the Committee concludes the community governance review which commenced on 26 July 2018, publicises and gives effect by Order to the following recommendations made in the review:
 - a. That the existing parish boundary between the parishes of Little Easton parish and Great Dunmow parish, which is shown with a broken line on the map attached to the report, be altered as indicated on the map by a red line, so that the area hatched pink comprising the development known as Sector 4, be transferred from the parish of Little Easton to the parish of Great Dunmow;
 - b. That the consent of the Local Government Boundary Commission and Electoral Commission be sought to make a consequential changes Order to give effect to alterations to align the boundary of the district ward and county division with the modified parish boundary.
 - c. In respect of the electoral arrangements which apply to the parish of Great Dunmow, to increase the number of the parish councillors for the North ward by two.
 - d. In respect of the electoral arrangements which apply to the parish of Little Easton, to make no change in the number of the parish councillors.
 - e. In respect of the electoral arrangements review for the parish of Aythorpe Roding, to increase the number of parish councillors by one.

Financial Implications

3. There are no financial implications other than officer time and printing costs.

Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.
 - a. Requests submitted to the Council from the parish councils referred to above
 - b. Minutes of Council 23 February 2013
 - c. The Local Government Boundary Commission for England (LGBCE) guidance "Guidance on community governance reviews"
 - d. The Local Government and Public Involvement in Health Act 2007
 - e. The Uttlesford (Electoral Changes) Order 2014
 - f. Responses to the community governance review consultation 2018
- 5.

Impact

- 6.

Communication/Consultation	Consultation has taken place with District and County Councillors, Essex County Council, the Essex Association of Local Councils, the public and the parish councils of Great Dunmow and Little Easton and Aythorpe Roding.
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	Thaxted and the Eastons, Great Dunmow, High Easter & The Rodings
Workforce/Workplace	None

Situation

7. The Committee agreed at its meeting on 26 July 2018 to undertake a community governance review, of limited scope, in relation to the parishes of Little Easton, Great Dunmow North ward, and Aythorpe Roding. Initial consultation on draft proposals took place. Further proposals, which took into account those submissions, were approved by the Committee at an extraordinary meeting on 9 October 2018. As required by the terms of reference of the review, a second stage of consultation took place, to enable representations to be received on the further proposals. The second consultation concluded on 26 October 2018. The recommendations publicised in relation to that second stage consultation have not changed as a result of any representations received, and are now brought to the Committee for final approval.
8. Consultation on the proposals took place in accordance with the terms of reference of the review. Those consulted included District and County Councillors, Essex Association of Local Councils and Essex County Council. All representations received are listed in the table at Appendix A. In summary, a small number of representations, confirming agreement to the proposals, have been received from District Ward Members, one of whom is also a County Councillor. No submissions have been received from officers at Essex County Council or the Essex Association of Local Councils, although they were included in the consultation. Correspondence with the Clerks to Little Easton Great Dunmow Town Council took place regarding the proposals for the parish boundary modification, in that a revised map with improved detail was circulated to those councils during the Stage 1 consultation. Both parish councils confirmed acceptance of the proposals based on the revised map.
9. Further detailed correspondence and verbal discussion has taken place with the Clerk to Great Dunmow Town Council in relation to the electoral arrangements which have been proposed, to increase by two the number of town councillors for the North Ward, as a slight imbalance between the North and South Ward is forecast to occur. However the imbalance is not perceived to be significant. The ability of the Town Council to conduct its business with sufficient numbers of elected representatives, without becoming too unwieldy, is considered to be an important factor in proposing any change to the existing electoral arrangements. Following consideration of further advice given, Great Dunmow Town Council have confirmed their wish to increase the number of parish councillors to be elected to the North ward by two.
10. No submissions have been received from Aythorpe Roding Parish Council other than the initial request to increase the representation for that parish.
11. Stage 2 consultation representations which have been received are included at Appendix A. The draft Order to give effect to the recommendations is attached at Appendix B. The map referred to in the Order reflects the map upon which the final stages of the consultation took place, as previously published with the report to the Committee on 9 October 2018. It is attached as Appendix C.

Risk Analysis

12.

Risk	Likelihood	Impact	Mitigating actions
2 That identities and interests of the local community in the area are not reflected, and that community governance is not effective or convenient	2	2	To conduct a limited community governance review in time to take effect for the ordinary local elections in May 2019.

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.

APPENDIX A

STAGE 1 CONSULTATION

Boundary review at the development known as Sector 4 at Woodlands Park and change to electoral arrangements

Email 13 August 2018	This revised map makes sense and I would be grateful if you would put the proposal through to the next stage of the consultation	Clerk to Great Dunmow Town Council
Email 9 and 10 August and 19 September 2018	No further comments since the agreement to move the parish boundary. To incorporate the roundabout within the Dunmow boundary.	Clerk to Little Easton Parish Council
Verbal comment at meeting of GAP Committee 26 July 2018	Agreement to the proposals	Councillor G Barker
Verbal comment at meeting of GAP Committee 26 July 2018	Agreement to the proposals	Councillor Davey, District Ward Cllr (Great Dunmow North)

STAGE 1 CONSULTATION

Aythorpe Roding change to electoral arrangements

Verbal comment at meeting of GAP Committee 26 July 2018	Agreement to the proposals	Councillor G Barker, District Ward Cllr (Great Dunmow South & Barnston)
Email 26 July 2018	Acknowledgement of the proposals	Councillor S Barker, District Ward Cllr (High Easter & The Rodings) and County Cllr (Dunmow Division)

STAGE 2 CONSULTATION

Boundary review at the Development known as Sector 4, Woodlands Park and change to

Email 19 September 2018	I have heard nothing further since the agreement to move the parish boundary but to not place it down the middle of the road but to incorporate the roundabout within the Dunmow boundary	Clerk to Little Easton
-------------------------	---	------------------------

Email 23 October 2018 Our Finance & Policy Committee Clerk to Great Dunmow
considered this proposal and asked me
to enquire why the two extra
councillors are being considered now.
Could they not be put in place when the
population has actually increased, ie
after the next election in four years'

Email 26 October 2018 The Committee resolved to support the Clerk to Great Dunmow
boundary change proposals and
suggested conditions including an
increase of two town councillors for our
North Ward.

STAGE 2 CONSULTATION - representations received
Aythorpe Roding change to electoral arrangements

No further representations received.

LOCAL GOVERNMENT AND PUBLIC INVOLVEMENT IN HEALTH ACT 2007

The District of Uttlesford (Reorganisation of Community Governance) Order 2018

Made November 2018

Subject to article 2 below, this Order comes into force on 1 April 2019

Uttlesford District Council makes the following Order in exercise of the powers conferred by Sections 86 and 240(10) of the Local Government and Public Involvement in Health Act 2007 (“the Act”).

Citation and commencement

1. This Order may be cited as the Uttlesford District Council (Reorganisation of Community Governance) Order 2018.
2. For the purposes of proceedings preliminary or relating to the elections of parish councillors for the parishes listed in Schedule 1, to be held on the ordinary day of election of councillors in 2019, this Order shall come into force on the day after that on which it is made.

Interpretation

In this Order –

“existing” means existing on the date this Order was made;

“map” means the map marked “Map referred to in the District of Uttlesford (Reorganisation of Parish Electoral Arrangements) Order 2018” and deposited in accordance with section 96(4) of the 2007 Act;

“ordinary date of election of councillors” has the meaning given by section 37 of the Representation of the People Act 1983; and

“registration officer” means an officer appointed for the purpose of, and in accordance with, section 8(c) of the Representation of the People Act 1983.

Effect of Order

1. Alteration of Parish Area

The area comprising the area hatched pink on the map, and specified in column 1 of Schedule 1 shall cease to be part of the parish specified in relation to that area in columns 2 and 3 of the Schedule and shall become part of the parish specified in relation to that area in columns 4 and 5 of that Schedule.

2. Number of councillors in each parish

Upon this Order coming into effect the number of councillors representing the parishes and parish wards described in Schedule 2 shall be the number specified in that Schedule.

Any previous Orders determining the number of parish councillors allocated to those parishes described in Schedule 2 to this Order are revoked, insofar only as they relate to the parishes listed in that Schedule, and not to any other parishes.

3. Electoral Register

The registration officer for the District shall make such arrangements of, or adoption of, the register of local government electors as may be necessary for the purposes of, and in consequence of, this Order.

4. Order Date

1 April 2019 is the Order date for the purposes of the Local Government (Parishes and Councils) (England) Regulations 2008.

THE COMMON SEAL of the
DISTRICT COUNCIL OF UTTLESFORD
was hereunto affixed by the authority
of the said Council on the day
of November 2018 in the presence of:-

Authorised Signatory

SCHEDULE 1

ALTERATIONS OF AREAS OF PARISHES AND PARISH WARDS

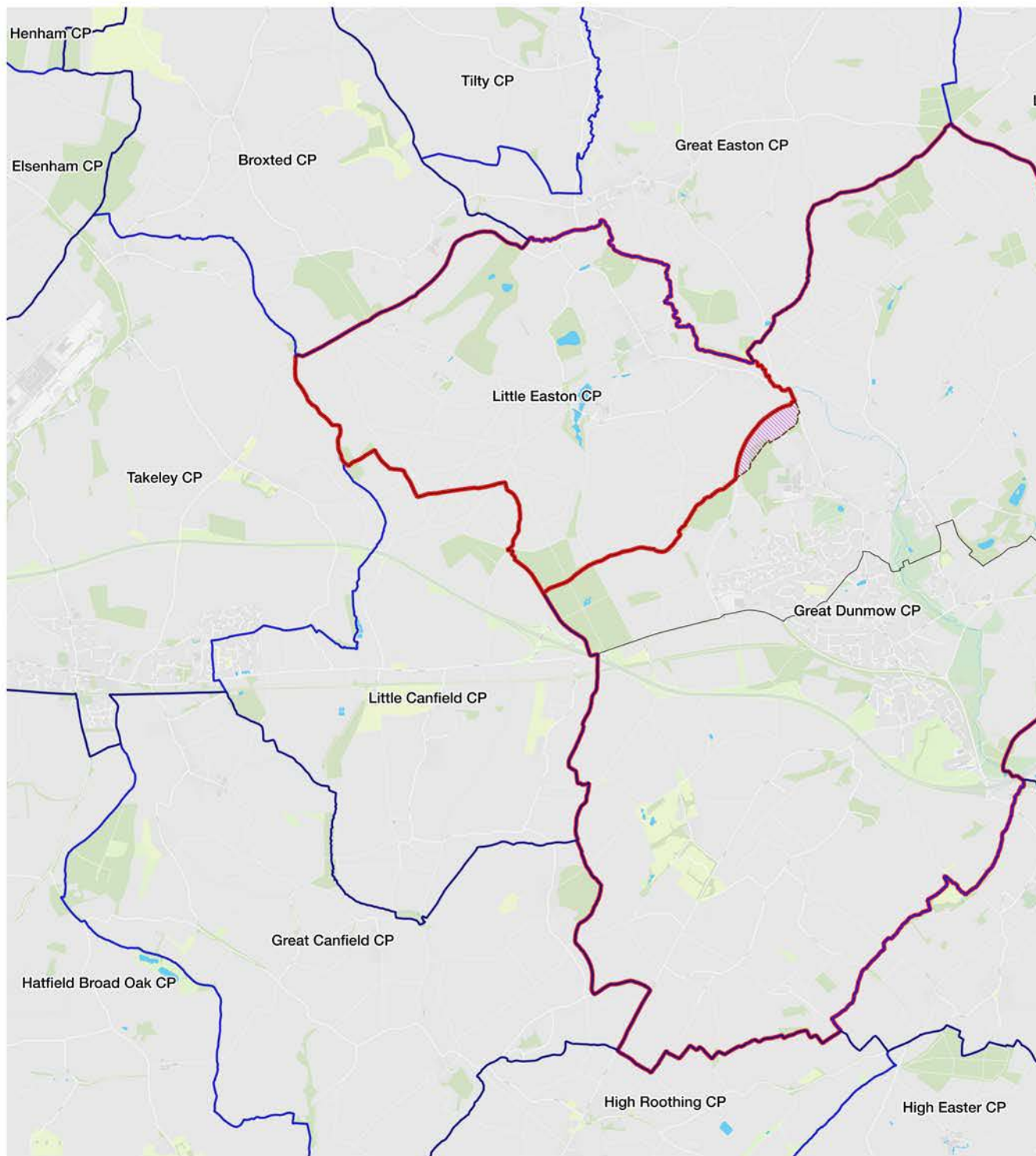
Column 1	Column 2	Column 3	Column 4	Column 5
Area hatched pink on map	Parish from which omitted	Parish ward from which omitted	Parish to which added	Parish ward to which added
A	Little Easton	Not applicable	Great Dunmow	Great Dunmow North

SCHEDULE 2

CHANGES TO ELECTORAL ARRANGEMENTS

Parish	Ward	Number of councillors to be elected
Little Easton		6
Great Dunmow	North	9
Great Dunmow	South	9
Aythorpe Roding		6

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Committee: Governance, Audit and Performance Committee

Date:

Thursday, 15
November 2018

Title: Bi-Annual Procurement Update

Report Author: Cristine Oakey – Procurement Manager

aknight@uttlesford.gov.uk

Summary

1. This is a regular six month update to update Members on procurement activity, the aim of which is to assist Members understanding of the Council's procurement arrangements.
2. This report provides an update on procurement activity for the first six months of the current financial year (i.e. April 2018 – September 2018).
3. The report provides information on the two specific areas requested.
 - a. Contracts awarded over the value at which they are required to be tendered (currently £50,000)
 - b. Instances where requests for exceptions to Contracts Procedure Rules have been requested

Recommendations

4. The Committee notes the content of the report

Financial Implications

5. There are no financial implications associated with this report

Background Papers

6. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.
 - a. Procurement Service Plan 2018/19

Impact

- 7.

Communication/Consultation	None
Community Safety	None

Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Situation

8. Contracts awarded over the value at which they are required to be tendered (currently £50,000)

Procurement has been completed on three major contracts during the period under review -

Replacement - Light Commercial Vehicles.

Tenders were invited for the replacement of 30 vehicles timetabled for replacement during 2017/18 and 2018/19. The tender, carried out under a framework let by YPO, resulted in a contract which would be awarded to Mobile Installations Limited for a total sum of £422,352.64.

Accepting this tender would have resulted in an overspend of £36,352.66 against the budget.

Prior to placing the order, the need to replace vehicles simply because of the seven year cycle was challenged. The vehicles are still in good condition, having been serviced every six months and with low mileages. In consultation with Chief Officers 25 vehicles were retained and only 5 vehicles have now been ordered. The cost of these is £130,380 compared to the expected capital expenditure of £422,802, by allowing the programme to be extended over a longer useful life it reduces the direct revenue costs of financing.

The fleet manager has been empowered to be flexible with vehicles, moving those with higher mileages into roles where the mileage will be lower, thus extending their life.

Maintenance of Telecare (Warden Call Systems)

This contract was tendered by the Council as opposed to using national frameworks as we wished to open the opportunity to smaller suppliers rather than simply rely on the large contractors who dominate the market.

As a result of the procurement process, a contract for five years, with an option for a further five years has been awarded to Malthouse Security Limited – a small company based in Diss. The contract includes annual servicing of the system in each of our sheltered housing sites and call-outs for repairs. The annual sum will be £11,699. This compares favourably with the previous contract which was £10,448.91 per annum when it was awarded in October 2013 and has since been index linked.

The contract is estimated to be worth £153,489.86 in total allowing for increases of 3% per annum although the actual increase will be linked to CPI.

Insurance

Zurich Municipal has been retained to provide most of the Council's insurance business for 12 months under an Exception request following negotiation with the company. Two policies sit outside of the main group – Injury & Travel and Fine Arts (for the Museum collection). These are small policies – worth £7,309.98 in total, whilst the premium with Zurich is £400,000.

Software – Document Imaging

A contract has been awarded to Northgate Public Services for the replacement of document imaging software on which they own intellectual property rights. The software "Iclipse" is being de-supported at the end of the year and replaced with "Information@Work". An Exception request has been submitted and approved.

Procurement of Wheelie Bins and Caddies

A contract has been awarded for the supply of wheelie bins and caddies under a YPO framework agreement. Instead of tendering requirements on an ad-hoc basis as needed, we have moved to a model to purchase "whole loads" from the manufacturer which avoids the need to tender on a more frequent basis.

Deliveries will be made to a third party secure logistics warehouse. They will take responsibility for storage and arrange the assembly and delivery to individual households as needed.

This model brings a number of benefits to the Council

- avoiding the time and expense of repeatedly tendering,
- improving purchasing power by taking advantage of economies of scale,
- avoiding the need to take smaller, frequent deliveries in to the depot,
- avoiding the overheads (staff and vehicles) involved in making individual deliveries ourselves,
- avoiding the potential to run out of stock because of the long lead times involved with the associated negative publicity.

Instances where requests for exceptions to Contracts Procedure Rules have been requested

Seven exception requests have been made during the period of this report and are detailed in Appendix A

Risk Analysis

9.

Risk	Likelihood	Impact	Mitigating actions
That the Council does not ensure value for money through its procurement activities	1 – The Council has robust Contract Procedure Rules in place and a Procurement Strategy that is reviewed and approved by Members annually	2 – There may be some risk that if procurement rules are not followed the Council may not realise best value through it's contracts	Current structures and procedures in place give sound reassurance the Council is receiving value for money through it's contracts.

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.

Appendix A

Details	Value of Contract		Client Department	Contract Awarded to	Reason for Exception Request	Expiry Date
	£10,000 to £50,000	£50,000 and above				
Consultants – Disposal of Walden Place	£15,000.00		Housing	Savills - Cambridge	Savills are the market leader for development projects, including joint ventures. They have extensive knowledge, and will be able to identify potential partners for this niche development opportunity.	12 Months
Consultants – Legal advice to support the delivery of Garden Communities In Uttlesford		£100,000.00	Planning	Dentons	The Council is committed to ensuring that major new development sites in Uttlesford meet “garden community” standards. The Council needs expert legal support in relation to securing delivery, including legally enforceable requirements on developers.	12 months

Consultants – Undertake a full heritage impact assessment for the Local Plan	£30,000.00		Planning	Donald Ansall Associates	The heritage impact study is on a critical path in the local plan preparation process. A consultant is needed to ensure the consultation can take place in a timely manner to ensure the Regulation 19 Local Plan can be submitted by its due date.	
Consultants – Auditors Housing Benefits Subsidy	£17,000.00		Resources	BDO	We are required by the Department of Works and Pensions (DWP) to provide assurance from an independent audit company on our housing benefits (HB) claims. If this is not provided we will suffer financial penalties	31 July 2019
Consultants – Water Cycle Study (3) for the Local Plan	£19,750.00		Planning	Arcadis	Second stage consultation to support evidence for the local plan regarding the water supply and waste water in sufficient detail to satisfy the Environment Agency	30 Jan 2019

Insurance		£400,000.00	Finance	Zurich Municipal	LGA Mutual not established in time for the Council to join, leaving insufficient time to tender the requirements.	28 Sept 2019
Software - Document Imaging		£232,934.00	ICT	Northgate Public Services	Northgate currently provide our software ("Iclipse") which is being de-supported. It will be replaced by Northgate with "Information@Work". As there is a requirement for this software to integrate with the main Housing and Revenues & Benefits software provided by Northgate, there is an absence of competition for technical reasons. The new software and consultancy for implementation will cost £49,600. The balance is for Support and Maintenance and Hosting for five years.	31 Jan 2023

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Agenda Item 8

Committee: Governance, Audit and Performance Committee
Title: 2018/19 Q2 KPI and PI Performance Report
Report Author: Paula Evans, Leisure and Performance Manager
pevans@uttlesford.gov.uk

Date: Thursday, 15 November 2018

Summary

1. This report presents the 2018/19 Quarter 2 Outturn data for all Key Performance Indicators (KPIs) and Performance Indicators (PIs).

Recommendations

2. None.

Financial Implications

3. There are no financial implications associated with this report. However, some indicator data relates to the financial performance of services within the authority.

Background Papers

4. None.

Impact

- 5.




Communication/Consultation	None
Community Safety	None
Equalities	None beyond service improvement on the equality and diversity performance indicators
Health and Safety	None beyond service improvement on the health and safety related performance indicators
Human Rights/Legal Implications	None

Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Situation

- Appendix One presents the data for Quarter 2 of 2018/19 (1 July – 30 September) for each indicator that is monitored and reported on a quarterly or half yearly basis. Performance is monitored against all targets agreed at Governance, Audit and Performance in May 2018. All outturn data is in bold.
- For comparison purposes the table also includes data for Quarters 2, 3 and 4 2017/18 and Q1 2018/19.
- All data and performance notes have been reviewed by the Corporate management Team and Joint Executive Team.
- Overall performance for both the KPIs and PIs combined for Quarter 2 can be summarised as follows with the majority of indicators meeting target:




Q2 2018/19 (29* indicators)

TOTAL Q2 2018/19		
	18	62%
	6	21%
	5	17%
Total:	29	100%

*Q2 data not available for KPI 14 at the time of publication

- When reviewing the short term performance trend by comparing Q2 2018/19 performance against Q1 2018/19 for all KPIs and PIs there has been very little movement in overall performance but this is positive none the least:

Q1 & Q2 2018/19 (27* indicators)




Status	Q1 2018/19		Q2 2018/19	
	17	63%	18	67%
	6	22%	5	18%
	4	15%	4	15%
Total	27	100%	27	100%

*Data not available for Q1 or Q2 for KPI 14

**Data not comparable for KPI 08 (a)




11. When reviewing the long terms performance trend by comparing Q2 2017/18 and Q2 2018/19 it can be noted that performance has dropped across all status’:

Q2 2017/18 & 2018/19 (27 indicators)

Status	Q2 2017/18		Q2 2018/19	
	22	81%	17	63%
	3	11%	6	22%
	2	8%	4	15%
Total	27	100%	27	100%

12. When analysing the performance of KPIs and PIs by directorate, Corporate Services indicators have performed better than Public Services for both KPIs and PIs. The Chief Executive PIs have both performed to target with positive movement from both when comparing against Q1 2018/19:

Directorate Breakdown for Q2:

Status	Public Services		Corporate Services		Chief Executive Office	
	5	50%	11	65%	2	100%
	2	20%	4	23%	0	0%
	3	30%	2	12%	0	0%
Total	10	100%	17	100%	2	100%

13. There are four KPIs that have not met their target but are within the 10% threshold and have an ‘amber’ status:

- KPI 02 Customer Satisfaction with Services
- KPI 05 Percentage of Council Tax Collected
- KPI 06 (a) Time Taken to Process Housing Benefit/Council Tax benefit New Claims
- KPI 15 (b) Percentage of Domestic Collections of Waste and Recyclables successfully made on first visit

14. There are two KPIs that have exceeded the 10% performance threshold and have a ‘red’ status:

KPI 08 (a)

Average re-let time in days (all re-lets including time spent in works)

A report detailing the action being taken to improve this indicator is a separate agenda item for this meeting.

KPI 12

Processing of planning applications: Minor applications (within 8 weeks or including any agreed extension of time)

Officers are proactively working to improve the performance of this indicator.

15. The calculation for KPI 08 (a) has been reviewed and changed to reflect current 'best practice' for benchmarking purposes. Retrospective data has been calculated and is shown in Appendix One for comparison purposes.

Further details are contained in the supporting Housing Voids Indicator Review report following on this agenda. Officers request Member's agreement to the change in which this indicator is calculated and reported as its revised target.

Risk Analysis

16.

Risk	Likelihood	Impact	Mitigating actions
If performance indicators do not meet quarterly/annual targets then areas such as customer satisfaction and statutory adherence to government led requirements could be affected leading to a loss of reputation for the Council.	2 The majority of performance indicators perform on or above target.	3 The majority of service areas in the council are customer-facing.	Performance is monitored by CMT, JET and the committee on a quarterly basis. The inclusion of five quarters of data helps to identify trends.

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.














2018/19 Quarter 2 KPIs and PIs Report – JET Review

Key: * Cumulatively monitored
Quarterly targets profiled

max Aim to maximise performance
min Aim to minimise performance

Generated on: 24 October 2018

Directorate: CORPORATE SERVICES - KPIs




















PI Code & Short Name	Q2 2017/18	Q3 2017/18	Q4 2017/18	Q1 2018/19	Q2 2018/19	Latest Note
KPI 01 Percentage of supplier invoices paid within 30 days of receipt by the Council (max)	100.00%	96.22%	97.84%	98.90%	99.63%	Q2 2018/19 Numerator: 1607 Denominator: 1613 Very positive uptake on the new procedures by both Suppliers and Departments are responsible for a 99.63% of invoices paid within 30 days. This all cascades into queries being dealt with much quicker and with much more attention, with only 0.37% of invoices going over the 30 day period. Reports show that 99.56% of invoices were paid within 10 days of being received by the payments team.
						
	98.00%	98.00%	98.00%	98.00%	98.00%	
Page 85 KPI 02 Customer satisfaction with services (<i>half yearly</i>) (max)	77%	n/a	67%	n/a	75%	Q2 (H1) 2018/19 The satisfaction rate represents the total average satisfaction of a range of services from those panel members who expressed an opinion. The comparative average dissatisfaction rate was 25% nominal (25.22% actual). Satisfaction levels for many services including Council Housing – Homelessness, Council Housing – Tenant Liaison, Land Charges and Benefits Fraud have improved since the previous panel surveys held in the Spring and Autumn of 2017. During the same period there has been a decline in satisfaction with Council Housing Repairs and Council Supported Day Centres.
						
	76%		76%		76%	
KPI 03 Percentage of Non-domestic Rates Collected (max) *	60.00%	88.30%	99.47%	32.03%	60.36%	Q2 2018/19 Numerator: 27,593,573.04 Denominator: 45,713,104.04
						
	58.75%	87.50%	98.80%	29.60%	59.50%	

PI Code & Short Name	Q2 2017/18	Q3 2017/18	Q4 2017/18	Q1 2018/19	Q2 2018/19	Latest Note
KPI 04 Accuracy of processing – HB/CTB claims (max)	99.46%	99.23%	100.00%	98.45%	99.50%	Q2 2018/19 Numerator: 199 Denominator: 200 186 New claims and 13 Change of circumstances checked in quarter 2 of 2018/19, and only 1 financial error was identified, giving an accuracy rate of 99.50%. We continue to achieve our target of 98% due to our proactive checking arrangements which identifies any potential training issues quickly and allows us to give prompt and appropriate training
	98.00%	98.00%	98.00%	98.00%	98.00%	
KPI 05 Percentage of Council Tax collected (max) *	58.52%	86.76%	99.17%	30.04%	58.16%	Q2 2018/19 Numerator: 35,977,084.48 Denominator: 61,857,865.68 Small drop in collection due to 12 month instalments now being offered to customers which is changing profile of targets. In addition there has been a small change in collection due to rise in Council Tax liability this financial year
	58.20%	86.00%	98.70%	29.80%	59.50%	
KPI 06 (a) Time taken to process Housing Benefit/Council Tax Benefit new claims (Days) (Min)	21.0	21.3	21.8	22.4	23.9	Q2 2018/19 Numerator: 6,647 Denominator: 278 71 new claims to Housing Benefit (HB) were processed taking a total of 1,456 days. 207 new claims to Local Council Tax Support (LCTS) were processed taking 5,191 days. Vacant posts which lead to a small drop in performance were recruited to in September. Subsequent performance improvements are expected in Q3.
	22.0	22.0	22.0	22.0	22.0	
KPI 06 (b) Time taken to process Housing Benefit/Council Tax Benefit change events (Min)	7.0	6.1	3.6	5.2	6.0	Q2 2018/19 Numerator: 29,492 Denominator: 4,917 2,166 changes in circumstance to Housing Benefit (HB) were processed taking a total of 14,129 days. 2,751 changes in circumstance to Local Council Tax Support (LCTS) were processed taking 15,363 days.
	7.0	7.0	7.0	7.0	7.0	
KPI 07 (a) Average number of days lost per employee through short-term sickness absence (min) *	2.19	3.66	5.50	0.97	2.13	Q2 2018/19 Numerator: 412.5 Denominator: 362 1.14 days lost due to sickness for this quarter. Cumulative: Numerator: 766.5 Denominator: 360 = 2.13 days per member of staff for the year to date.
	3.50	5.25	7.00	1.75	3.50	











PI Code & Short Name	Q2 2017/18	Q3 2017/18	Q4 2017/18	Q1 2018/19	Q2 2018/19	Latest Note
KPI 07 (b) Average number of days lost per employee through long-term sickness absence (min)	40.28	33.73	41.30	32.80	33.50	Q2 2018/19 Numerator: 302 Denominator: 9 Average of 33.5 days off work for the nine long term sick cases this quarter. Three have now returned to work with the other six still remaining off work under a fit note.
	44.00	44.00	44.00	44.00	44.00	
KPI 16 Rent collected as percentage of rent owed (including arrears b/f) (max) *	96.47%	97.25%	98.24%	93.70%	95.97%	Q2 2018/19 Numerator: £3,697,800.59 Denominator: £4,050,263.66 (91.30%) Cumulative: Numerator: £7,464,971.73 Denominator: £7,778,431.80 (95.97%) This PI has exceeded the target due to the rigorous approach to rent collection and regular checking and support by the Arrears Officer to the tenant in arrears to assist them in maintaining their payment agreements. Collection is still holding up despite the move to Universal Credit full service in October 2017 although the UC accounts are starting to impact on the overall arrears figure.
	94.55%	95.55%	97.50%	89.60%	94.65%	
KPI 17 Local Council Tax Support Collection Rate (max) *	51.33%	75.26%	87.52%	25.36%	53.53%	Q2 2018/19 Numerator: (Total Net Receipts) £357,952 Denominator: (Total Net Liability) £668,687.03, 00
	48.00%	77.00%	87.00%	25.00%	50.00%	

Directorate: PUBLIC SERVICES - KPIs





















PI Code & Short Name	Q2 2017/18	Q3 2017/18	Q4 2017/18	Q1 2018/19	Q2 2018/19	Latest Note
KPI 08 (a) Average re-let time in days (all re-lets including time spent in works)	75	49	59	52	51	<p>Q2 2018/19 Numerator: 2,611 (void days) Denominator: 51 (re-lets)</p> <p>NOTE: INDICATOR REVISED</p> <p><i>Review of void indicator calculations undertaken to ensure accurate benchmarking can be completed.</i></p> <p><i>Revised KPI 08 (a) includes both major and standard works as per current Housemark guidance (previously only standard) Retrospective data re-calculated and shown in report for comparison purposes.</i></p> <p>The overall void target has been impacted by specific properties where the programme of works increased beyond the initial assessment as the initial works progressed. These types of properties involve multiple contractors, requiring tight management to ensure contractors are on site in the required order to complete the work in a timely manner. This is where slippage has occurred. Going forward works programmes will be developed and managed more affectively by the appointed Surveyor, who has overall flexibility to select contractors who are able to deliver within our targets. We have also implemented changes within the current process to track trends in contractor performance to increase overall void management.</p> <p>There have been no delays with the general needs lettings as each one has been let from the Monday immediately following completion of the void works. Some sheltered accommodation and housing for older persons has proven to be more difficult to let, especially sheltered bedsits and bungalows in outlying villages with more limited services/public transport. This has resulted in some of the properties having to be advertised more than once as people have refused them. We are monitoring which properties are hard to let and this information will be considered within our future development programme.</p>
	42	42	42	42	42	
KPI 11 Processing of planning applications: Major applications (within 13 weeks or including any agreed extension of time) (max)	88.89%	88.89%	90.00%	60.00%	80.00%	<p>Q2 2018 /19 Numerator: 8 Denominator: 10</p> <p>Cumulative: Numerator: 14 Denominator: 20 (70%)</p> <p>Performance target exceeded. Increased use of Planning Performance Agreements (PPAs) and Project Management of Cases</p>
	60.00%	60.00%	60.00%	60.00%	60.00%	

PI Code & Short Name	Q2 2017/18	Q3 2017/18	Q4 2017/18	Q1 2018/19	Q2 2018/19	Latest Note
KPI 12 Processing of planning applications: Minor applications (within 8 weeks or including any agreed extension of time) (max)	76.64%	73.63%	64.22%	76.92%	65.69%	Q2 2018/19 Numerator: 90 Denominator: 137 Cumulative: Numerator: 170 Denominator: 241 (70.54%) Target not being met. Slippage in performance on routine applications during Q2. Some work via IDOX Enterprise to improve time management on routine planning applications, should improve performance for the rest of the year.
						
	75.00%	75.00%	75.00%	75.00%	75.00%	
KPI 13 Processing of planning applications: Other applications (within 8 weeks or including any agreed extension of time) (max)	79.15%	79.39%	79.86%	83.82%	84.72%	Q2 2018 /19 Numerator: 194 Denominator: 229 Cumulative: Numerator: 422 Denominator: 501 (84.23%) Target being exceeded. More fast track focussed approach to dealing with householder planning applications. Some challenges on conservation applications but target met again through focussed approach from team.
						
	82.00%	82.00%	82.00%	82.00%	82.00%	
KPI 14 Percentage of household waste sent for reuse, recycling and composting (LAA) (max)	50.67%	52.24%	44.85%	54.66%	TBC	Q2 2018 /19 <i>Q2 Data not yet verified and available from Essex County Council.</i>
					TBC	
	55.00%	51.00%	50.00%	51.00%	55.00%	
KPI 15 (b) Percentage of domestic collections of waste and recyclables successfully made on first visit (max)	99.86%	99.91%	99.84%	99.89%	99.89%	Q2 2018/19 Numerator: 952,928 (Number of successful collections) Denominator: 954,000 (Total number of scheduled collections) Good consistent performance with a trend of the missed bins reducing each month. Number of missed bins: 974
						
	99.90%	99.90%	99.90%	99.90%	99.90%	

Directorate: CHIEF EXECUTIVE - PIs

PI Code & Short Name	Q2 2017/18	Q3 2017/18	Q4 2017/18	Q1 2018/19	Q2 2018/19	Latest Note
PI 06 Percentage of standard searches carried out in 10 working days (max)	93%	100%	100%	100%	100%	Q2 2018/19 Numerator: 409 Denominator: 408 100% response target met.
						
	100%	100%	100%	100%	100%	
Page 21 Percentage of minutes from meetings made available to the public within 10 working days (max)	81%	90%	89%	89%	96%	Q2 2018/19 Numerator: 21 Denominator: 22 There was one meeting in this quarter for which the minutes were published after 10 working days. This was due to pressure of work during a month when induction was taking place of three new starters joining a team of 8, one post remaining unfilled, and during the absence on annual leave of one officer. It should be noted that this is the first quarter since 2015/16 when the Performance Indicator target has been met. Whilst the Democratic Services team have worked consistently hard during the intervening time since then, this achievement possibly reflects a focus on preparing Minutes in an agreed concise, summarised style; the fact that the service has now implemented the meetings management system, so the hard work of introducing a new system has started to become more manageable; and the absence from the quarter of any electoral events other than a parish by election.
						
	95%	95%	95%	95%	95%	

Directorate: CORPORATE SERVICES - PIs
















PI Code & Short Name	Q2 2017/18	Q3 2017/18	Q4 2017/18	Q1 2018/19	Q2 2018/19	Latest Note
PI 02 Average time (days) to pay supplier invoices (min)	8.5	12.1	9.7	7.4	7.0	Q2 2018/19 Numerator: 11,251 Denominator: 1,613 New electronic processes that were put in place were adopted by most suppliers and departments making it more efficient in following up on any delays with payment, taking an average of 6.98 days from the Invoice date until paid date. It also took an average of 3.38 days for invoices to be completed from the time they were received by the payments team to the time they got paid to suppliers
						
	11.0	11.0	11.0	11.0	11.0	
PI 03 Percentage of sundry debt income overdue (debts over 90 days old not subject to a payment agreement) (min)	.8%	1.6%	2.2%	5.4%	6.6%	Q2 2018/19 Numerator: £27,252.65 (Debt over 90 days old, and not subject to a payment arrangement) Denominator: £413,189.34 (Total Outstanding Debt) Two accounts are affecting the outturn. One is currently with legal regarding disputed recharge and the other account is held under a charging order and will not be paid until property sold.
						
	4.0%	4.0%	4.0%	4.0%	4.0%	
PI 20 Percentage of IT help Desk calls resolved within target (max)	99.18%	98.38%	98.89%	98.92%	98.30%	Q2 2018/19 Numerator: 1446 Denominator: 1471 1471 calls of which 1446 resolved within SLA target of 4 hours
						
	95.00%	95.00%	95.00%	97.00%	97.00%	
PI 22 Museum users: Total visitors to the museum building and on-site events (max) #	4,112	2,782	3,019	3,217	3,315	Q2 2018/19 Visitors to Museum below target, although the highest number of visitors in a quarter for a year. Exhibitions have been well-received but long heatwave appears to have kept people outdoors and there is anecdotal evidence that this has affected museum visits generally this summer. Cumulative: 6,532
						
	4,000	3,100	3,500	3,400	4,000	

PI Code & Short Name	Q2 2017/18	Q3 2017/18	Q4 2017/18	Q1 2018/19	Q2 2018/19	Latest Note
PI 44 % of customer enquiries resolved at first point of contact (max)	NEW PI FOR 2018/19			87%	86%	Q2 2018/19 Numerator: 30,519 Denominator: 35,613 An excellent performance by the Customer Services team despite a higher than usual volume of customer contacts. There have been three retirements in the team last quarter and replacements have now started in post which has had a positive impact on performance.
				80%	80%	
PI 45 Total users of Museum service (max) #	16,286	15,978	16,163	9,890	10,316	Q2 2018/19 User figures just under target by 2%, due to drop in visitor figures with long heatwave. Website visits actually higher than previous quarter and staff answered twice as many collections enquiries as in previous quarters. Cumulative: 20,206
	10,500	9,000	10,000	10,500	10,500	

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Directorate: PUBLIC SERVICES - PIs

PI Code & Short Name	Q2 2017/18	Q3 2017/18	Q4 2017/18	Q1 2018/19	Q2 2018/19	Latest Note
PI 16 Number of households living in temporary accommodation (min)	18	12	12	11	15	Q2 2018/19 15 (1 in emergency accommodation and 14 in Council owned).
	14	14	14	14	14	
PI 30 Percentage planning applications validated within 5 days (max)	100%	100%	100%	100%	99%	Q2 2018/19 Numerator: 422 Denominator: 427 Cumulative : Numerator: 890 Denominator: 895 (99.44%) Good effort from the team where they have been training on the more complicated applications which meant that five applications exceeded the five working days to validate.
	95%	95%	95%	95%	95%	

PI Code & Short Name	Q2 2017/18	Q3 2017/18	Q4 2017/18	Q1 2018/19	Q2 2018/19	Latest Note
PI 40 Number of subscribers to garden waste collection service (max)	6,674	6,740	6,738	7,206	7,325	Q2 2018/19 Good performance and above target.
						
	6,350	6,400	6,400	6,800	7,000	
PI 41 Percentage of routine food hygiene premises inspections completed within the quarter (Max)	98%	97%	91%	69%	83%	Q2 2018/19 Numerator: 64 Denominator: 77 The team has secured part replacement of a qualified and competent officer able to assist in the inspection of premises. The trainee technical officer, will remain unable to inspect food premises for approximately 18- 24 months.
						
	98%	98%	98%	98%	98%	
PI 42 Percentage of planning appeals upheld (min)	18%	46%	29%	50%	22%	Q2 2018/19 Numerator: 5 Denominator: 23 Cumulative: Numerator: 11 Denominator: 35 (31.42%) Quarter performance on target. Cumulatively annual target crept above 30% allowed, but no cause for concern at this stage considering the quarter's good performance.
						
	30%	30%	30%	30%	30%	

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Committee: Governance, Audit and Performance

Date:

Title: 2018/19 Corporate Risk Register

15 November 2018

Report Author: Paula Evans, Leisure and Performance Manager

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Summary

1. This report presents the Council's Corporate Risk Register.

Recommendations

2. None

Financial Implications

3. There are no direct financial implications associated with this report.

Background Papers

4. None

Impact

- 5.

Communication/Consultation	Internal communication on risk management required through CMT and SMT meetings
Community Safety	None
Equalities	None beyond general management of equality and diversity impacts for identified risks
Health and Safety	Health and safety risks are managed where appropriate
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Situation

6. Attached is the Corporate Risk Register as at the end of Quarter 2 2018.
7. The risks included in the Corporate Risk Register are cross-cutting risks which if not controlled could have a serious impact on the council's ability to carry out its functions. Previously, the Corporate Risk Register was limited to the risks associated with delivering the objectives of the Corporate Plan.
8. There is a new risk included to highlight the potential implications on the council of the UK's exit from the European Union.

Risk Analysis

9.

Risk	Likelihood	Impact	Mitigating actions
If risks are not properly identified or managed then preventable problems could occur and affect the council's finances, reputation or resources. Conversely opportunities to improve these things may be unexploited.	2 –The revised corporate and operational registers , coupled with the training for relevant officers, ensure a focus on the key risks affecting services	3 – The new registers ensure a focus on the key issues at all levels of the organisation.	The new approach coupled with training for all those with responsibility for risk management ensure a corporate approach which focuses on the real risks facing the authority and its services. The adoption of a new risk policy and register addresses risk management in a more efficient and effective manner.

- 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.

UTTLESFORD DISTRICT COUNCIL

Corporate Risk Register 2018/19

Risk Pre-fix and Title:						
18-CR 01 FINANCIAL CONTROL						
Risk Description	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
If the council does not implement and sustain a robust 5 year financial strategy then reserves may be inadequate to meet unforeseen circumstances leaving the council with undue financial pressures	AW	2	4	8	<ul style="list-style-type: none"> • Monthly budget monitoring – Revenue and Capital (including HRA) • Quarterly budget monitoring to Members 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		2	4	8	<ul style="list-style-type: none"> • Actively seeking a second major investment • Service reviews to drive efficiencies 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
		1	4	4	CMT	31.03.2019
<u>PROGRESS UPDATE</u>						
2019/20 budget setting process is underway and service review efficiencies are being incorporated in the new budget. Growth items have also been agreed and built in to the 2019/20 base budget. Draft position will be known in late October but will be subject to the financial settlement announcement which should be made in early December.						

Risk Pre-fix and Title:						
18-CR 02 BUSINESS CONTINUITY						
Risk Description	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
If the council does not have sufficient and robust corporate resilience and Business Continuity Management then a major disruptive event could impact staff, property, or systems and networks leading to a reduction in service delivery, damage to organisational reputation or significant financial loss	RH	2	3	6	• Existing Business Continuity Plans	
		Current Likelihood	Current Impact	Current Score	Further Action	
		3	4	12	<ul style="list-style-type: none"> • Check all Services have BC plans in place • Update as relevant • Testing of BC plans • Creation of over-arching corporate Business Continuity Plan 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
		1	3	3	Service Managers (SMT)	31.12.18
<u>PROGRESS UPDATE</u>						
Testing of BC plans continues. Shared resource to audit and advise service managers from ECC being explored. It has been identified that service Business Continuity plans may be in conflict with each other around recovery timescales and therefore an overarching plan to set out recovery priorities is required.						

Risk Pre-fix and Title:						
18-CR 03 HEALTH AND SAFETY						
Risk Description	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
If the council does not manage the Health and Safety and welfare of its general public, visitors and staff then it will not be meeting its statutory organisational responsibilities leading to a loss of reputation as a responsible employer, potential involvement in legal action or loss of life or serious injury	AW	1	4	4	<ul style="list-style-type: none"> • Regular H&S Audits/Training/Risk Assessments • Up to date Policies and Procedures 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		1	4	4	<ul style="list-style-type: none"> • On-going maintenance of systems, procedures and reporting 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
		1	4	4	RM/DC/TC	31.03.2019
<u>PROGRESS UPDATE</u>						
Services continue to undertake assessments and reviews of policies and procedures. Recruitment to the part-time Health and Safety Officer vacancy will commence shortly.						

Risk Pre-fix and Title:						
18-CR 04 PEOPLE						
Risk Description	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
If the council's workforce is not reviewed and developed then it may hinder its ability to support transformational programmes and service delivery leading to an inability to achieve corporate objectives, retain and recruit staff and loss of reputation	AW	2	3	6	<ul style="list-style-type: none"> Transformational projects identified through corporate planning process and staff resources identified to deliver 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		2	3	6	<ul style="list-style-type: none"> Workforce Strategy ("People Plan") to be developed as per LGA peer review recommendation in order to identify organisational needs for the coming years and put in place actions to address those needs. 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
		1	3	3	RA	31.03.19
<u>PROGRESS UPDATE</u>						
Structure review of Customer Services, which will lead on the customer transformation process, is in the final stages of preparation and will be launched in November. A workforce strategy will be developed in the coming months.						

Risk Pre-fix and Title:						
18-CR 05 DATA PROTECTION						
Risk Description	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
If the council does not adopt and implement Data Protection controls then there may be a loss of data, inadequate data handling, unlawful sharing of data or security breaches leading to loss of public and partner confidence, reputational damage, breach of legislation and financial loss due to fines	DF	2	4	8	<ul style="list-style-type: none"> E-learning module for all staff Use, storage and sharing protocols Building and IT security 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		2	4	8	<ul style="list-style-type: none"> Learning, reflection and sharing of good practice arising from implementation of GDPR, in particular advice from ICO; monitoring of subject access requests; appointment of permanent DPO; monitoring of new procedures introduced to the organisation 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
		1	4	4	Project team, led by SP	31.03.19
<u>PROGRESS UPDATE</u>						
Good progress has been made in implementing GDPR and in reviewing corporate data protection practices. There are a small number of tasks to be completed – compilation of a record of processing activities and revision of the Council’s data protection schedule. Staff have completed the training but there are a large number of members who have not and this continues to be chased. Once GDPR is bedded in, it should be possible to reduce the likelihood to 1. However, this is an area in which simple human error will always be a risk.						

Risk Pre-fix and Title:						
18-CR 06 INFORMATION TECHNOLOGY						
Risk Description	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
<p>If the council does not ensure resilient and robust IT security is in place then the organisation may be exposed to network vulnerabilities such as cyber-attacks and system failures leading to reputational damage, liability issues, loss of service provision and reputation</p>	<p>AW</p>	<p>3</p>	<p>4</p>	<p>12</p>	<ul style="list-style-type: none"> • The majority of ICT systems are held off site in data centres • Windows operating system security patches are updated • Members of CERT-UK WARP (Warning, Advice and Reporting Point) part of the Centre for protection of National Infrastructure. It provides us with privileged access to cyber threats 	
		<p>Current Likelihood</p>	<p>Current Impact</p>	<p>Current Score</p>	<p>Further Action</p>	
		<p>3</p>	<p>4</p>	<p>12</p>	<ul style="list-style-type: none"> • Further investment in system security • Robust recovery plan 	
		<p>Target Likelihood</p>	<p>Target Impact</p>	<p>Target Score</p>	<p>Action owner</p>	<p>Planned Completion date</p>
		<p>2</p>	<p>4</p>	<p>8</p>	<p>NW</p>	<p>31.03.2019</p>
<p><u>PROGRESS UPDATE</u></p> <p>Significant investment continues to be made in IT security. On-track for completion of the current changes by 31 March 2019</p>						

Risk Pre-fix and Title:						
18-CR 07 GOVERNANCE						
Risk Description	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
If the council does not have a clear and robust governance framework then leadership and decision making will not be effective with un-defined responsibilities resulting in a lack of accountability to our stakeholders, potential breaches of legislation and significant financial loss	DF	2	4	8	<ul style="list-style-type: none"> Annual governance statement Have a documented constitution, which is regularly reviewed Adopted corporate plan and service plans 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		2	4	8	<ul style="list-style-type: none"> Review corporate governance framework in accordance with CIPFA guidance notes Update training/awareness Roll out of use of mod.gov to all staff and members, including recording and publication of key decisions 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
		1	4	4	SP	31.03.19
PROGRESS UPDATE						
<p>Good progress is being made with mod.gov. Reports, agendas and minutes are being prepared and published through mod.gov, as well as the Forward Plan. More work is needed on the corporate governance framework. Training has been given to members on Probity in Planning. Plans are being drawn up for member induction and training for 2019/20 and a member 'focus' group has been formed to act as a sounding board to guide the programme.</p>						

Risk Pre-fix and Title:						
18-CR 08 SERVICE DELIVERY						
Risk Description	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
If the council does not achieve its key priorities and objectives and service plans then opportunities to improve the wellbeing of the community and protect the character of the district will be missed leading to dissatisfied residents and stakeholders, reputational damage and potential government intervention	DF	1	4	4	<ul style="list-style-type: none"> Adopted corporate plan, delivery plan and service plans Budget and MTFs to support delivery Regular performance monitoring and reporting to CMT, Cabinet and GAP 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		1	4	4	<ul style="list-style-type: none"> Produce corporate governance framework 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
		1	4	4	SP	31.03.19
<u>PROGRESS UPDATE</u>						
The process of aligning the budget more closely to the priorities has continued and will again flow through to service planning. Cabinet members also review the KPI and PI data that is formally considered by GAP to ensure they have full oversight of all performance data. Work is needed on reviewing the corporate governance framework and aligning it to the CIPFA recommended presentation.						

Risk Pre-fix and Title:						
18-CR 09 LOCAL PLAN						
Risk Description	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
If the council does not have an up to date local plan it is exposed to significant risks: adverse impact on its revenue position related to the lack of a sound base for its development management function and on- going costs of preparing a local plan and likely intervention by the MHCLG ; and reputational damage affecting its ability to recruit high calibre staff, bid for external government funding and form joint ventures and secure commercial income	RH	2	4	8	<ul style="list-style-type: none"> • Local Plan Project Board • Planning Policy Working Group 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		2	4	8	<ul style="list-style-type: none"> • Local Development Scheme • Submission of plan for examination 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
		1	4	4	CMT	31.12.19
<u>PROGRESS UPDATE</u>						
Representations invited on an Addendum of Focused Changes following analysis of responses on the Reg 19 Local Plan. These seek to clarify a small number of matters relating to the examinations into the North Essex Authorities (NEA) Local Plans; the requirement to identify strategic priorities and strategic policies; and the policy relating to the consideration of sites protected under the Habitats Regulations.						

Risk Pre-fix and Title:						
18-CR 10 BREXIT						
Risk Description	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
If the council does not prepare for the short term outcome and implications of the UK exiting from the EU (Brexit) then staff, partners, residents, businesses and visitors may be adversely affected resulting in the reputation of the council being damaged	RH	4	3	12	<ul style="list-style-type: none"> Defra working group steering implementation of systems to replace existing EU system for controlling food imports and exports with third countries, and monitoring movements within the EU. Withdrawal Act 2018 ensures that there is legal certainty over areas of law that impact on the council's activities 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		2	3	6	<ul style="list-style-type: none"> Continued review of potential implications on the authority 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
		1	3	3	CMT	31.12.19
<u>PROGRESS UPDATE</u>						
<ul style="list-style-type: none"> Senior Officers liaising with MHCLG and attending workshops as appropriate Officers participating in discussions regarding border controls and systems Officers are monitoring the Settlement Scheme for EU citizens Resources are being made available (together with security clearance) to support airport activity before and immediately after the UK exits Procurement issues such as EU processes and systems and Contracts to establish any supply issues are being reviewed Withdrawal of access to grants currently received from the EU and the opportunity to 'bid' for replacement funds from the UK government are being monitored Together with the Essex Resilience Forum and the Resilience and Emergency Division of MHCLG, risks relating to fuel, food, transport, animal welfare and medicines are being monitored Preparations for the local and parish elections in 2019 are taking account of guidance regarding candidates and the franchise 						

- Business continuity plans are being refreshed to ensure that risks not specific to Brexit but which may arise can be managed (e.g. staff shortage)
- Brexit is a standing item on CMT agenda to maintain visibility and aid communication
- Brexit is a standing item on Essex Chief Executives' association agenda

Keep under review Government's technical notes and information shared by LGA

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