



# Uttlesford District Council

Chief Executive: Dawn French

## Performance and Audit

**Date:** Thursday, 09 February 2017  
**Time:** 19:30  
**Venue:** Committee Room  
**Address:** Council Offices, London Road, Saffron Walden, CB11 4ER

**Members:** Councillors G Barker, M Foley, J Freeman, J Gordon, S Harris, D Jones, N Hargreaves, B Light, E Oliver (Chairman) and E Parr.

### Public Speaking

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

## AGENDA PART 1

### Open to Public and Press

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**PERFORMANCE AND AUDIT COMMITTEE held at COUNCIL OFFICES  
LONDON ROAD SAFFRON WALDEN at 7.30pm on 15 NOVEMBER 2016**

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

Officers in attendance: R Auty (Assistant Director Corporate Services), D  
Cottrell (Corporate Health and Safety Officer), R Dobson (Principal Democratic  
and Electoral Services Officer), A Knight (Assistant Director – Resources) and  
A Webb (Director of Finance and Corporate Services).

Also Present: Councillor S Howell (Cabinet Member for Finance and  
Administration), Councillor H Rolfe (Leader) and Mark Hodgson  
(Executive Director - EY).

**PA21 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies for absence were received from Councillor Parr and from the Internal  
Audit Manager.

**PA22 MINUTES**

The minutes of the meeting held on 28 July 2016 were received and signed by  
the Chairman as a correct record.

**PA23 MATTERS ARISING**

The committee considered action points from the last meeting.

**Local Plan Expenditure** – The item was on the agenda and would be  
considered at this meeting.

**Q4 Performance – missed bins** – The information requested had been  
supplied to Councillor Jones regarding the common causes of missed bins.  
Councillor Jones said the most common reason was human error, for example  
missing bins at properties on corners where two rounds met; where two loaders  
worked together in a team; or where a journey was resumed after a break.  
There were sometimes issues over the location of new properties or confusion  
over new rounds. Other reasons were resident errors such as not placing bins  
out, leaving the access to bins locked up, failing to place bins by 7am or  
presenting the incorrect bin.

Councillor Jones said it should be easy to train loaders to improve these figures  
where bins were being missed due to human error, which would be an  
operational matter for the relevant manager. The Director of Finance and  
Corporate Services said he would take that request back to the Director of  
Public Services. He was aware of some technical issues and recent use of

agency staff which had affected the figures. These issues were being addressed.

**Aspire Board** – Councillor Light asked whether there was more information on the action for the Leader to consider the concept of Non-Executive Directors. Councillor Howell said the point had been made and would be considered.

PA24

### **ANNUAL AUDIT LETTER 2015-16**

Mark Hodgson, Executive Director of EY, presented the annual audit letter for the 2015/16 Audit, which was issued following completion of the audit procedures for the year, following the audit opinion and duly signed certificate in July. He said it was again good news as the opinion on the Council's financial statements was unqualified, and other information published with those statements was consistent with the Annual Accounts. The auditors had concluded that the Council had put in place proper arrangements to secure value for money in its use of resources. The Governance Statement was consistent with the auditors' understanding of the Council and there were no issues of significance to report. Mark Hodgson drew attention to two areas for future focus: the first, in respect of the result of the EU Referendum which would mean likely significant ongoing uncertainty for a number of months, affecting investment property valuations and defined benefit pension obligations; the second, the setting up of a special purpose vehicle (SPV) which would require consideration of legal powers, contracting arrangements, governance structures, risk management, financial modelling, accounting and tax implications.

The Chairman thanked Mark Hodgson and congratulated the Director of Finance and Corporate Services and the Assistant Director – Resources for their excellent work.

Councillor Hargreaves asked a question about a reference to “inappropriate capitalisation”. Mark Hodgson explained this was where capitalisation should have been expressed within the year rather than over a period of time. There were no indications that the incidence of inappropriate capitalisation at Uttlesford was due to anything other than a procedural error.

Officers explained the figure was £6,000 which related to items such as housing repairs where there had been confusion as to what was revenue and what was capital. Some training had therefore taken place to address this misunderstanding.

The Committee NOTED the annual audit letter.

PA25

### **ANNUAL AUDIT AND CERTIFICATION FEES 2016-17**

The Committee received a report on audit and certification work which EY proposed to undertake for 2016/17. Mark Hodgson said the fees would be held at the same rates as for 2015/16 with the exception of work in relation to

housing benefit subsidy claim certification work, which would be set according to an indicative certification fee. EY would update its risk assessment after completion of the benefit certification work.

The Committee NOTED the annual audit and certification fees 2016/17.

PA26

## **AUDIT COMMITTEE BRIEFING**

Mark Hodgson presented the latest audit briefing.

Councillor G Barker referred to suggested key questions for the Committee. He asked officers whether forthcoming changes to off-payroll working would impact on agency staff.

The Assistant Director – Resources said she understood the requirement would be to include agency staff on the Council’s payroll. She confirmed there would need to be detailed assessment of what would be required and the implications. The main areas which would be affected would be waste and planning, but for other services there should not be a significant impact.

Councillor Barker asked about actions needed to progress a review processes for reporting election results. The Director of Finance and Corporate Services said the proposed review would be submitted to the Democratic and Electoral Services Manager.

The Committee NOTED the report.

PA27

## **APPOINTMENT OF EXTERNAL AUDITORS**

The Assistant Director - Resources presented a report on the transitional arrangements following cessation of the Audit Commission, which themselves were due to close after 2017/18. Options open to the Council were to opt in to the arrangements for a Sector Led Body, the Public Sector Audit Appointments (PSAA); to arrange an auditor panel and conduct a procurement exercise; or to explore the establishment of a local joint procurement arrangement with neighbouring authorities.

The report recommended the Council should opt in to the PSAA arrangements.

The Assistant Director – Resources said most local authorities operating in Essex, although not the County Council, were choosing to opt in to the PSAA arrangements. By opting in, this council would still be able to have input and express a preference within the list of approved auditors.

In response to a question from Councillor Light, regarding costs implications, the Assistant Director-Resources said the fees would be reflected in the auditors’ fees. Whilst it was not possible to state whether there would be an increase until after the tender, any fee would be likely to be much less than if the Council conducted the procurement exercise itself.

Mark Hodgson confirmed that the audit certification fee would include the PSAA fee.

The Chairman thanked Mark Hodgson for the work EY had done, and for his reports to the committee.

RESOLVED to recommend to Full Council that the Council opts in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors.

PA28

## **PROCUREMENT ARRANGEMENTS**

The Committee considered the report of the Procurement Manager. The report summarised procurement activity for the first six months of the current financial year. Information was provided on two specific areas: contracts awarded over the value at which they were required to be tendered, which was £50,000; and instances where exceptions requests to contract procedure rules had been requested. The procurement strategy and brief details of contracts over the value of £50,000 were appended to the report. Clarification of a typographical error was given, in that a reference for a contract to convert back records should have stated *from*, not *to*, microfilm, as old records were being digitised.

Councillor Jones asked about the contract for water monitoring and treatment. The contract was stated to have an approximate value over the four-year life of the contract of £58,287.84, which would bring a projected saving of £271,712.16 against the current budget provision of £55,000 per annum. Councillor Jones questioned how such a large saving was being achieved.

The Assistant Director-Resources said the Procurement Manager had been working over a period of six years, to go through all the Council's long-term contracts, to ensure they suited the Council's purposes. Following much work on refining the contracts with suppliers to ensure precision over what was required, many were now much more competitive.

Councillor Jones said it was essential to ensure the contracts were right, and that there was no scope for challenge on any grounds.

The Assistant Director – Resources said no services had been downgraded as a consequence of this exercise. Performance management had been applied to ensure the right level of service was maintained and that the Council obtained value for money.

Councillor Foley asked about renewal of insurance contracts. The Assistant Director – Resources confirmed officers undertook a renewal check each year.

Councillor Barker asked about the implications of The Modern Slavery Act 2015. The Assistant Director – Resources said officers would be required to select and monitor all suppliers to ensure the Council was not dealing with any



that could be connected with exploitation. Risk areas for the Council needed to be identified.

The Committee NOTED the procurement update.

PA29

## **HEALTH AND SAFETY UPDATE**

The Corporate Health and Safety Officer presented a report on health and safety activity and statistics on accident trends within service areas for the Council. The report, relating to the period 2014 – 2016, set out the categories of information, which covered accidents, near misses, aggressive incidents, road collisions and events involving members of the public. The Corporate Health and Safety Officer highlighted the main points of the report, in particular drawing attention to the fact that Street Services was the highest risk area and describing measures taken to reduce the risk. It was noted that trends showed a reduction in the number of accidents resulting in work absences and in the severity of accidents, and that the reason for accident reporting number remaining the same was due to increased reporting. Safety training had been delivered in-house, at a more competitive cost than if it had been given by an external supplier.

Councillor Gordon suggested health and safety training could include preventative training. He asked whether a known risk register was maintained.

The Corporate Health and Safety Officer confirmed he was responsible for the Council's register of persons who were known risks, the "visiting officers' register", which was used mainly by enforcement and electoral registration canvassers.

Councillor Barker commended the fact that training was now being provided in-house, saving money. He asked about the potential for such training to be supplied to external organisations. The Corporate Health and Safety Officer said this suggestion was under consideration.

The Chairman thanked the Corporate Health and Safety Officer on the progress made, and for what was a very helpful report. He asked that future updates be provided every six months.

The Committee NOTED the health and safety update.

PA30

## **INTERNAL AUDIT CHARTER 2016-2018**

The Committee received a report on the review and updating of the Internal Audit Charter. Presenting the report on behalf of the Internal Audit Manager, the Director of Finance and Corporate Services highlighted the revisions to be made, following changes in legislation and guidance, and to reflect the current Corporate Management Team composition.

Councillor Barker asked whether there were any resource implications.

The Director of Finance and Corporate Services confirmed there were no resource implications.

RESOLVED to approve the internal audit charter 2016-18.

PA31 **INTERNAL AUDIT PROGRESS REPORT**

The Committee received the report of the Internal Audit Manager, presented by the Director of Finance and Corporate Services. The report set out details of work completed since the last meeting of the Committee; performance against the Internal Audit Work Programme; details of risk level 3 and 4 highest priority recommendations implemented since the last report, of which there were five, and confirmation that for this period there were no recommendations which had not been implemented by the due date.

[Councillor Rolfe joined the meeting at this point.]

Councillor Light questioned whether the report should refer to the need to consider data security as a consequence of the incident of a data breach suffered by the payroll supplier, Sage, during the Summer.

Officers explained it was not within the remit of Internal Audit to investigate the data breach of an external supplier, and that the Council had terminated the contract. The data breach had been due to a Sage employee who was determined to commit fraud. However the employee was foiled by the company's existing anti-fraud procedures. The Information Commission had carried out an investigation and had confirmed it was satisfied with the measures in place.

The Committee NOTED the internal audit progress report for 16 July to 31 October 2016.

PA32 **LOCAL PLAN COSTS 2015-16**

The Director of Finance and Corporate Services presented a report prepared in response to a request made at the meeting of the Committee on 19 May 2016 for a summary of the costs of the local plan in relation to the year 2015-16. As the accounts had been approved on 28 July, this was the first meeting of the Committee since that date. The report stated the budgeted costs of £220,000 and the actual costs of £354,000 and explained the fact that although the budget was set was based on work needed to continue to support a plan as it was adopted, the direction of travel changed and new studies were required to be undertaken at additional cost. It was further highlighted that the employee expenses included the use of agency staff, and although there had been an overspend against budget there had been no draw down made from the

Planning Reserve as there had been underspends in other areas of the directorate.

Councillor Hargreaves thanked officers for the report, and asked what the references to income from internal charges related to. The Director of Finance and Corporate Services said income related provision of services to other departments.

Councillor Hargreaves said he had expected the local plan costs for this period to amount to a higher sum.

The Director of Finance and Corporate Services said the period to which this report related was confined to the year 2015/16, as requested, and that there were four months between this period and the period covered by an earlier report requested by Councillor Parry. A figure of £190,000 had been incurred during the four months ending at 31 March 2015. The total costs would therefore need to take that figure into account.

The Committee NOTED the summary of the 2015/16 costs of the local plan.

PA33

## **QUARTER 2 PERFORMANCE 2016/17**

The Assistant Director Corporate Services presented a report on quarter 2 performance for 2016/17. The report now included indication of trends.

The Committee considered each Key Performance Indicator (KPI).

### **KPI05 – Percentage of council tax collected**

Councillor Hargreaves said members of the public had asked him about a report in the public domain about a councillor who had not paid council tax, and who was the subject of recovery action. In order to address these comments he requested an explanation of the situation.

The Director of Finance and Corporate Services explained the provisions of section 106 of the Local Government Finance Act 1992, which prevented a member in arrears of council tax voting on any financial matter. Section 106 of the Local Government Finance Act, 1992 set out that where a member was two months or more in arrears with council tax they were unable to vote on any matter that might affect the setting of the council tax. In effect this meant voting on any financial matter. At the start of any meeting where financial matters were to be voted on, the member in arrears would have had to declare that in accordance with S106 they were unable to take part in the said item due to council tax arrears. During the period of time when Councillor Goddard was in this position he had not attended any meetings where financial decisions were being made and therefore did not have to make such a declaration. Like any person who was in arrears, and where recovery has reached the court stage, the entire annual council tax debt became due. Therefore the amount owed and paid by Councillor Goddard was £2,548.95 including £80 of costs relating to the

granting of a Liability Order. It was important to note that the granting of a Liability Order was not a prosecution and Councillor Goddard has not been prosecuted for council tax arrears and he did not receive a fine.

Councillor Howell said he did not usually comment on this Committee's meetings, but had been invited to attend and wished to speak. The business of this Committee was the monitoring of the performance of the Council, and not that of any individual member. Consideration of this matter was inappropriate at this venue. Process had been correctly followed and the matter was now closed.

Councillor Hargreaves said if this forum was not the correct place to raise the matter, he apologised, but he had wished to understand more in order to account to those who had accused the Council of "looking after its own".

### **KPI 08 – average re-let time in days (General Needs only)**

Councillor Jones asked what impact was anticipated on the Airport sell-off of properties.

Councillor Rolfe said MAG had been encouraged to sell its housing. The Council would be engaging with MAG regarding options.

Councillor Barker said he was aware the Portfolio Holder was attending a meeting this evening for residents who would be affected.

The Committee NOTED the report on Quarter 2 Performance for 2016/17.

PA34

### **Q2 CORPORATE RISK REGISTER 2016-17**

The Assistant Director Corporate Services presented the report on the Corporate Risk Register as at the end of quarter 2 2016/17.

He said there were changes to the risk management processes to be introduced in the 2017/18 year. Much of the changes were based on the current Institute of Risk Management guidance, and should prove useful for looking at key risks of corporate plan priorities. There were fewer risks on the register but these were stated in greater detail. It was also suggested some risks could be views as opportunities and risk tolerance levels should be redefined.

The Committee NOTED the Quarter 2 corporate risk register 2016/17.

PA35

### **ANY OTHER URGENT ITEMS**

The Chairman said there were no urgent items. However he wished to comment that he had attended the peer review session which he considered to have been a very good exercise for the Council.

The meeting ended at 8.40pm.

### **ACTION POINTS**

Minute PA23 – missed bins	Suggestion for training of bin loading officers to be put to Director of Public Services to reduce number of bins missed due to human error.
Minute PA26 – key questions for Committee listed in EY briefing	Review of process for reporting election results to be conducted with input from Democratic and Electoral Services Manager
Minute PA29 – health and safety updates	Health and Safety updates to be provided six monthly.



**Committee:** Performance and Audit

**Agenda Item**

**Date:** 9 February 2017

**3**

**Title:** Certification of Claims and Returns Annual Report 2015-16

**Author:** EY

Item for information

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### **Summary**

1. This report summarises the results of EY's work on Uttlesford District Council's 2015/16 claims and returns.





# Certification of claims and returns annual report 2015/16

Uttlesford District Council

25 January 2017

Ernst & Young LLP



The Members of the Audit and Performance Committee  
Uttlesford District Council  
Council Offices  
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Saffron Walden  
CB11 4ER

25 January 2017

Ref: UDC 2016

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Dear Members

## **Certification of claims and returns annual report 2015/16 Uttlesford District Council**

This report summarises the results of our work on Uttlesford Council's 2015/16 claims and returns.

### **Scope of work**

Local authorities claim large sums of public money in grants and subsidies from central government and other grant-paying bodies and must complete returns providing financial information to government departments. In some cases these grant-paying bodies and government departments require appropriately qualified auditors to certify the claims and returns submitted to them.

From 1 April 2015, the duty to make arrangements for the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to the Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government.

For 2015/16, these arrangements required only the certification of the housing benefits subsidy claim. In certifying this we followed a methodology determined by the Department for Work and Pensions and did not undertake an audit of the claim.

### **Summary**

Section 1 of this report outlines the results of our 2015/16 certification work and highlights the significant issues.

We checked and certified the housing benefits subsidy claim with a total value of £16.4 million. We met submission deadline and issued a qualification letter in relation to the housing benefit claim which detailed a number of issues identified as a result of our work. A copy of the qualification letter is included in Appendix A. Our certification work found some errors with the Rent Rebates (tenants of non HRA properties) which the Council corrected. The amendments had a marginal effect on the grant due, increasing subsidy due to the Council by £3,263.

We followed up the issues identified last year in relation to the housing benefit claim following the completion of our certification work for 2014/15. Remedial work to address our findings has been underway during the year and aimed to ensure improvements were made in 2015/16. We are pleased to report that these improvements were evident and fewer errors were identified. Further details of our findings are included in section 1 of this report.

Fees for certification work are summarised in section 2. The housing benefits subsidy claim fees for 2015/16 were published by the Public Sector Appointments Ltd (PSAA) in March 2015 and are available on the PSAA's website ([www.psaa.co.uk](http://www.psaa.co.uk)).

We welcome the opportunity to discuss the contents of this report with you at the next Audit and Performance Committee.

Yours faithfully

Mark Hodgson  
Executive Director  
Ernst & Young LLP  
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## 1. Housing benefits subsidy claim

Local Government administers the Government's housing benefits scheme for tenants and can claim subsidies from the Department for Work and Pensions (DWP) towards the cost of benefits paid.

Details of the audit work undertaken in relation to this claim and our findings are summarised below:

Scope of work	Results
Value of claim presented for certification	£16,441,375
Amended	Yes - certified claim increased by £3263 to £16,444,637
Qualification letter	Yes
Fee – 2015/16 (Actual)	£22,808
Fee – 2014/15 (Actual)	£25,903
Recommendations from 2014/15:	Findings in 2015/16
<p>In 2014/15 we made the following recommendation:</p> <ul style="list-style-type: none"> <li>Continue with the agreed actions taken to address the recommendations made in previous years.</li> </ul>	<p>Our audit work identified a smaller number of errors as outlined below.</p> <p>Our findings therefore indicate that remedial work undertaken to address the recommendations made in previous years is continuing to have a positive impact.</p> <p>We recommend that the Council continues to ensure improvements achieved to date are embedded and further improvements in the accuracy of processing achieved.</p>

Our certification work of the housing benefit subsidy claim is undertaken in line with the approach agreed with the DWP, which requires detailed testing of individual benefit cases.

The certification guidance also requires auditors to complete more extensive '40+' or extended testing if initial testing identifies errors in the calculation of benefit or compilation of the claim. 40+ testing may also be carried out as a result of errors that have been identified in the audit of previous years' claims.

Our initial testing in 2015/16 identified:

- 4 underpayments which occurred as a result of income assessment errors.
- 2 overpayments which occurred as a result of income assessment errors.
- One overpayment classification error.

Based on the above findings and previous years' findings undertook the following extended testing:

- Rent Allowances– Income assessment (40 cases);
- Rent allowances – drill down cases with 2 start dates paid within the year (22 cases)
- Rent Rebates - Income assessment (40 cases);
- Rent Rebates - Eligible overpayment classification testing (40 cases)
- Rent Allowances – Eligible overpayment classification testing (40 cases)
- Rent Rebates(tenants of non HRA properties) –whole population (38 cases)
- Modified Schemes – whole population (7 cases)

We agreed with the Council that the benefits team would perform most of this additional testing and we would re-perform a sample of the cases to confirm we could place reliance on the Council's work. The outcome of this additional testing and the potential impact on the Council's claim is documented within the qualification letter to the DWP and attached at Appendix A. We would note that the quality of the 40+ testing undertaken by the Council's team was excellent and we were able to place full reliance on it.

We reported underpayments, uncertainties and the extrapolated value of other errors in our qualification letter to the DWP. On the basis of the information within the qualification letter, the DWP will decide on the appropriate course of action, which may include whether to ask the Council to carry out further work to quantify the error or to claw back the benefit subsidy paid on the basis of the extrapolated figures reported in the qualification letter.

Testing of all the Rent Rebates (tenants of non HRA properties) cases and the drill down sub population testing identified errors which the Council amended. These changes had a small net impact on the claim, increasing the overall subsidy amount due to the Council by £3,263.

Members may wish to note that although the individual errors identified as a result of audit are small, under the requirements of the Certification Instruction there is no materiality applied to our work on the claim and every error above rounding has to be reported. The errors identified from the sample testing are extrapolated across the total population of cases in our reporting to the DWP. Consequently a small error on individual cases can result in a larger extrapolated error, and potential recovery of subsidy paid to the Council by the DWP.

## 2. 2015/16 certification fees

The PSAA determine a scale fee each year for the audit of claims and returns. For 2015/16, these scale fees were published by the Public Sector Audit Appointments Ltd (PSAA's) in March 2015 and are now available on the PSAA's website ([www.psaa.co.uk](http://www.psaa.co.uk)).

Claim or return	2014/15	2015/16	2015/16
	Actual fee £'s	Indicative fee £'s	Actual fee £'s
Housing benefits subsidy claim	£25,903	£22,808	22,808
<b>Total</b>	£25,903	£22,808	22,808

There is a reduction in the actual fee compared to 2014/15. The fee for 2014/15 included a scale fee variation of £4,863 in addition to the indicative scale fee.

### 3. Other assurance work

During 2015/16 we also acted as reporting accountants in relation to the following scheme:

- ▶ Housing pooling return.

This work has been undertaken outside the Audit Commission/PSAA regime, and the fees for this are not included in the figures included above. It is referred to here for completeness to ensure Members have a full understanding of the various returns on which we provide some form of assurance. We did not identify any significant issues as part of this work that need to be brought to the attention of Members. We have provided a separate report to the Council in relation to this return.



## 4. Looking forward

From 1 April 2015, the duty to make arrangements for the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to (PSAA) by the Secretary of State for Communities and Local Government.

The Council's indicative certification fee for 2016/17 is £19,427. This was prescribed by PSAA in March 2016, based on no changes to the work programme for 2015/16. Indicative fees for 2016/17 housing benefit subsidy certification work are based on final 2014/15 certification fees. PSAA reduced scale audit fees and indicative certification fees for most audited bodies by 25 per cent based on the fees applicable for 2014/15.

Details of individual indicative fees are available at the following web address:  
<http://www.psa.co.uk/audit-and-certification-fees/201617-work-programme-and-scales-of-fees/individual-indicative-certification-fees/>

We must seek the agreement of PSAA to any proposed variations to these indicative certification fees. We will inform you before seeking any such variation.

The PSAA is currently consulting on the 2017/18 work programme. There are no changes planned to the work required and the arrangements for certification of housing benefit subsidy claims remain in the work programme. However, this is the final year in which these certification arrangements will apply. From 2018/19, the Council will be responsible for appointing their own reporting accountant and making their own arrangements for the certification of the housing benefit subsidy claim in accordance with the requirements that will be established by the DWP.

## 5. Summary of recommendations

This section highlights the recommendations from our work and the actions agreed.

Recommendation	Priority	Agreed action and comment	Deadline	Responsible officer
The Council should continue with the agreed actions from our previous reports to minimise the level of errors in the submitted claim.	High	The previous agreed actions have provided positive results and provided a strong base for keeping the error rate low.	Ongoing	S Oxley

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**Committee: Performance and Audit**

**Agenda Item**

**Date: 9 February 2017**

**4**

**Title: Audit Plan 2016/17**

**Author: EY**

Item for information

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## **Summary**

1. The attached Audit Plan sets out how EY intends to carry out its responsibilities as auditor. It summarises an initial assessment of key risks and outlines the planned audit strategy in response to those risks.



# Uttlesford District Council

Year ending 31 March 2017

Audit Plan

9 February 2017

Ernst & Young LLP





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Performance and Audit Committee  
Uttlesford District Council  
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9 February 2017

Dear Committee Members

## **Audit Plan**

We are pleased to attach our Audit Plan which sets out how we intend to carry out our responsibilities as auditor. Its purpose is to provide the Performance and Audit Committee with a basis to review our proposed audit approach and scope for the 2016/17 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Committee's service expectations.

This plan summarises our initial assessment of the key risks driving the development of an effective audit for the Council, and outlines our planned audit strategy in response to those risks.

We welcome the opportunity to discuss this Audit Plan with you on 9 February 2017 and to understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Mark Hodgson

Executive Director  
*For and behalf of Ernst & Young LLP*  
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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued "Statement of responsibilities of auditors and audited bodies". It is available from the Chief Executive of each audited body and via the PSAA website ([www.psaa.co.uk](http://www.psaa.co.uk)).

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

The 'Terms of Appointment from 1 April 2015' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

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

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

# 1. Overview

This Audit Plan covers the work that we plan to perform to provide you with:

- ▶ Our audit opinion on whether the financial statements of Uttlesford District Council (the Council) give a true and fair view of the financial position as at 31 March 2017 and of the income and expenditure for the year then ended;
- ▶ Our conclusion on the Council's arrangements to secure economy, efficiency and effectiveness;

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Council's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- ▶ Strategic, operational and financial risks relevant to the financial statements;
- ▶ Developments in financial reporting and auditing standards;
- ▶ The quality of systems and processes;
- ▶ Changes in the business and regulatory environment; and,
- ▶ Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Council.

We will provide an update to the Performance and Audit Committee on the results of our work in these areas in our report to "those charged with governance" scheduled for delivery in July 2017.

## 2. Financial statement risks

We outline below our current assessment of the financial statement risks facing the Council, identified through our knowledge of the Council's operations and discussion with those charged with governance and officers.

At our meeting, we will seek to validate these with you.

Significant risks (including fraud risks)	Our audit approach
<b>Risk of fraud in revenue recognition</b>	
<p>Under ISA240 there is a presumed risk that revenue may be misstated due to improper recognition of revenue.</p> <p>In the public sector, this requirement is modified by Practice Note 10, issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.</p> <p>One area which may be susceptible to manipulation is the capitalisation of revenue expenditure on Property, Plant and Equipment given the extent of the Council's Capital programme.</p>	<p>Our approach will focus on:</p> <ul style="list-style-type: none"> <li>▶ Review and test revenue and expenditure recognition policies;</li> <li>▶ Review and discuss with management any accounting estimates on revenue or expenditure recognition for evidence of bias;</li> <li>▶ Develop a testing strategy to test material revenue and expenditure streams;</li> <li>▶ Review and test revenue cut-off at the period end date; and</li> <li>▶ We will test the additions to the Property, Plant and Equipment balance to ensure that they are properly classified as capital expenditure.</li> </ul>
<b>Risk of management override</b>	
<p>As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.</p>	<p>Our approach will focus on:</p> <ul style="list-style-type: none"> <li>▶ Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;</li> <li>▶ Reviewing accounting estimates for evidence of management bias; and</li> <li>▶ Evaluating the business rationale for significant unusual transactions.</li> </ul>

### Other financial statement risks

#### Non- current Assets

Property, Plant and Equipment (PPE) and Investment Properties represent the largest asset values on the Council's balance sheet. These assets are initially measured at cost and then revalued to fair value (determined by the amount that would be paid for the asset in its existing use) on a 5 year rolling basis. This is carried out by an external valuer and is based on a number of complex assumptions. Annually assets are assessed to identify whether there is any indication of impairment.

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

Due to the nature, size and complexity of PPE and investment property accounting we consider this an inherent risk.

Our approach will focus on:

- ▶ Reliance on management's experts and review of the instructions given to that valuer;
- ▶ Consideration of the accounting treatments and basis of valuation as required by the Code;
- ▶ Test of detail if required; and
- ▶ Test of the journals and derivation of accounting Entries.

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**Pensions Liability – IAS19**

The Council operates a defined benefits pension scheme. Accounting for this scheme involves significant estimation and judgement. The Pension liability is the largest value liability on the balance sheet.

Due to the nature, volume and size of the transactions we consider this to be a risk.

Our approach will focus on:

- ▶ The actuarial expertise used by the Council; and
- ▶ The reasonableness of the estimations and judgements used.

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**Assessment of the group boundary**

The Council has set up a new company (Aspire Holdings (UDC) Limited during 2016/17. The company is an incorporated company wholly owned by Uttlesford District Council.

The nature of this arrangement and the extent of transactions within the year will need to be assessed to determine whether the company should be consolidated into the Council's financial statements.

If required, the Council will need to ensure that the consolidation of the subsidiary is undertaken in line with the relevant accounting standards and in line with the code of practice.

Our approach will focus on:

- ▶ Review the relationship with the new company to assess where overall control lies with regard to the operation and delivery of services
- ▶ Review the assessment of materiality, and
- ▶ Ensure appropriate consolidation procedures are applied if the company is consolidated into the Council's financial statements.

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

Amendments have been made to the *Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (the code)* this year changing the way the financial statements are presented.

The new reporting requirements impact the Comprehensive Income and Expenditure Statement (CIES) and the Movement in Reserves Statement (MiRS), and include the introduction of the new 'Expenditure and Funding Analysis' note as a result of the '*Telling the Story*' review of the presentation of local authority financial statements.

The Code no longer requires statements or notes to be prepared in accordance with SeRCOP. Instead the Code requires that the service analysis is based on the organisational structure under which the authority operates. We expect this to show the Council's segmental analysis.

This change in the code will require a new structure for the primary statements, new notes and a full retrospective restatement of impacted primary statements. The restatement of the 2015/16 comparatives will require audit review, which could potentially incur additional costs, depending on the complexity and manner in which the changes are made.

Our Approach will focus on:

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

We would like to take this opportunity to remind you that management has the primary responsibility to prevent and detect fraud. It is important that management, with the oversight of those charged with governance, has a culture of ethical behaviour and a strong control environment that both deters and prevents fraud.

Our responsibility is to plan and perform audits to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements whether caused by error or fraud. As auditors, we approach each engagement with a questioning mind that accepts the possibility that a material misstatement due to fraud could occur, and design the appropriate procedures to consider such risk.

Based on the requirements of auditing standards our approach will focus on:

- ▶ Identifying fraud risks during the planning stages;
- ▶ Enquiry of management about risks of fraud and the controls to address those risks;
- ▶ Understanding the oversight given by those charged with governance of management's processes over fraud;
- ▶ Consideration of the effectiveness of management's controls designed to address the risk of fraud;
- ▶ Determining an appropriate strategy to address any identified risks of fraud, and,
- ▶ Performing mandatory procedures regardless of specifically identified risks.

### 3. Value for money risks

We are required to consider whether the Council has put in place ‘proper arrangements’ to secure economy, efficiency and effectiveness on its use of resources.

For 2016/17 this is based on the overall evaluation criterion:

*“In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people”.*

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

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

In considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

We are only required to determine whether there are any risks that we consider significant, which the Code of Audit Practice defines as:

“A matter is significant if, in the auditor’s professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public”

Our risk assessment supports the planning of sufficient work to enable us to deliver a safe conclusion on arrangements to secure value for money and enables us to determine the nature and extent of further work that may be required. If we do not identify any significant risks there is no requirement to carry out further work.

Our risk assessment has therefore considered both the potential financial impact of the issues we have identified, and also the likelihood that the issue will be of interest to local taxpayers, the Government and other stakeholders. This has resulted in the following VFM risks which we view as relevant to our value for money conclusion.

Value for money risks	Our audit approach
<p><b><u>Sustainable resource deployment:</u></b></p> <p>The Council have approved the establishment of a holding company and three subsidiaries, for rental, land agreements and property services. The Council are currently negotiating the significant purchase of investment property.</p>	<p>Our approach will focus on:</p> <ul style="list-style-type: none"> <li>▶ The Council's business case for these transactions;</li> <li>▶ The Council's governance arrangements around current transactions; and</li> <li>▶ The impact of reduced reserves and increased borrowing on the Council's Medium Term financial position.</li> </ul>

## 4. Our audit process and strategy

### 4.1 Objective and scope of our audit

Under the Code of Audit Practice our principal objectives are to review and report on the Council's:

- ▶ Financial statements
- ▶ Arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

#### 1. Financial statement audit

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK and Ireland).

We report to you by exception in respect of your governance statement and other accompanying material as required, in accordance with relevant guidance prepared by the NAO on behalf of the Comptroller and Auditor General.

Alongside our audit report, we also:

- ▶ Review and report to the NAO on the Whole of Government Accounts return to the extent and in the form they require.
- #### 2. Arrangements for securing economy, efficiency and effectiveness (value for money)

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

### 4.2 Audit process overview

To the fullest extent permissible by auditing standards, we intend to consider internal audit's work in documenting your financial systems and controls. This will enable us to more efficiently update our understanding of your systems and carry out the walkthrough of those systems as required under auditing standards. Our intention is to carry out a fully substantive audit in 2016/17 rather than rely on the operation of controls as we believe this to be a more efficient approach.

#### **Analytics**

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- ▶ Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- ▶ Give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Performance and Audit Committee.

## Internal audit

As in prior years, we will review internal audit plans and the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where we raise issues that could have an impact on the year-end financial statements

## Use of specialists

When auditing key judgements, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where either EY or third party specialists provide input for the current year audit are:

Area	Specialists
Pensions	Actuary/EY Pensions team
Property, Plant and Equipment and Investment Property	Management's External specialist
NNDR Appeals Provision	Management's External specialist
Financial Instruments	Management's External specialist

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Council environment and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- ▶ Analyse source data and make inquiries as to the procedures used by the expert to establish whether the source data is relevant and reliable;
- ▶ Assess the reasonableness of the assumptions and methods used;
- ▶ Consider the appropriateness of the timing of when the specialist carried out the work; and
- ▶ Assess whether the substance of the specialist's findings are properly reflected in the financial statements.



### **4.3 Mandatory audit procedures required by auditing standards and the Code**

As well as the financial statement risks (section two) and value for money risks (section three), we must perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

#### **Procedures required by standards**

- ▶ Addressing the risk of fraud and error;
- ▶ Significant disclosures included in the financial statements;
- ▶ Entity-wide controls;
- ▶ Reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements;
- ▶ Auditor independence.

#### **Procedures required by the Code**

- ▶ Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement.
- ▶ Reviewing and reporting on the Whole of Government Accounts return, in line with the instructions issued by the NAO.

Finally, we are also required to discharge our statutory duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

### **4.4 Materiality**

For the purposes of determining whether the financial statements are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in aggregate, could reasonably be expected to influence the users of the financial statements. Our evaluation requires professional judgement and so takes into account qualitative as well as quantitative considerations implied in the definition.

We have determined that overall materiality for the financial statements of the Council is £1.016 million based on 2% of gross expenditure on the provision of services. We will communicate uncorrected audit misstatements greater than £0.05 million to you.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all the circumstances that might ultimately influence our judgement. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the financial statements, including the total effect of any audit misstatements, and our evaluation of materiality at that date.

### **4.5 How materiality is applied to the component entities**

If applicable, we determine component materiality as a percentage of Group materiality based on risk and relative size to the Group. The component reporting limit for adjustments of £0.05 million is the same as that noted above.

## 4.6 Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government. PSAA has published a scale fee for all relevant bodies. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the NAO Code. The indicative fee scale for the audit of Uttlesford District Council is £52,916.

If group accounts are required because of the requirement to consolidate Aspire Holdings (UDC) Ltd, we will revisit the scale fee set out above as this would be a change in audit scope, which would require significant additional audit procedures.

## 4.7 Your audit team

The engagement team is led by Mark Hodgson, who has significant experience on Local Government Audits. Mark is supported by Jo Wardle who is responsible for the day-to-day direction of audit work and is the key point of contact for the Director of Finance and Corporate Services.

## 4.8 Timetable of communication, deliverables and insights

We have set out below a timetable showing the key stages of the audit, including the value for money work and the Whole of Government Accounts. The timetable includes the deliverables we have agreed to provide to the Council through the Performance and Audit Committee's cycle in 2016/17. These dates are determined to ensure our alignment with PSAA's rolling calendar of deadlines.

From time to time matters may arise that require immediate communication with the Performance and Audit Committee and we will discuss them with the Chair as appropriate.

Following the conclusion of our audit we will prepare an Annual Audit Letter to communicate the key issues arising from our work to the Council and external stakeholders, including members of the public.

Audit phase	Timetable	Performance and Audit Committee timetable	Deliverables
High level planning	<b>December to January</b>		
Risk assessment and setting of scopes	<b>January</b>	9 February 2017	Audit Plan
Review of routine processes and controls	<b>February</b>		
Year-end audit	<b>June</b>		
Completion of audit	<b>July</b>	July 2017	<ul style="list-style-type: none"> <li>▶ Report to those charged with governance via the Audit Results Report</li> <li>▶ Audit report (including our opinion on the financial statements; and overall value for money conclusion.</li> <li>▶ Audit completion certificate</li> <li>▶ Reporting to the NAO on the Whole of Government Accounts return.</li> </ul>
Conclusion of reporting	<b>October</b>	November	Annual Audit Letter

In addition to the above formal reporting and deliverables we will seek to provide practical business insights and updates on regulatory matters.

## 5. Independence

### 5.1 Introduction

The APB Ethical Standards and ISA (UK and Ireland) 260 ‘Communication of audit matters with those charged with governance’, requires us to communicate with you on a timely basis on all significant facts and matters that bear on our independence and objectivity. The Ethical Standards, as revised in December 2010, require that we do this formally both at the planning stage and at the conclusion of the audit, as well as during the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications	
Planning stage	Final stage
<ul style="list-style-type: none"> <li>▶ The principal threats, if any, to objectivity and independence identified by EY including consideration of all relationships between you, your affiliates and directors and us;</li> <li>▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality Review;</li> <li>▶ The overall assessment of threats and safeguards;</li> <li>▶ Information about the general policies and process within EY to maintain objectivity and independence.</li> </ul>	<ul style="list-style-type: none"> <li>▶ A written disclosure of relationships (including the provision of non-audit services) that bear on our objectivity and independence, the threats to our independence that these create, any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;</li> <li>▶ Details of non-audit services provided and the fees charged in relation thereto;</li> <li>▶ Written confirmation that we are independent;</li> <li>▶ Details of any inconsistencies between APB Ethical Standards, the PSAA Terms of Appointment and your policy for the supply of non-audit services by EY and any apparent breach of that policy; and</li> <li>▶ An opportunity to discuss auditor independence issues.</li> </ul>

During the course of the audit we must also communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of our safeguards, for example when accepting an engagement to provide non-audit services.

We also provide information on any contingent fee arrangements, the amounts of any future contracted services, and details of any written proposal to provide non-audit services;

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period are disclosed, analysed in appropriate categories.

### 5.2 Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including any principal threats. However we have adopted the safeguards below to mitigate these threats along with the reasons why they are considered to be effective.

#### ***Self-interest threats***

A self-interest threat arises when EY has financial or other interests in your entity. Examples include where we have an investment in your entity; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with the Council.

At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permissible non-audit services, and we will comply with the policies that the Council has approved and that are in compliance with PSAA Terms of Appointment.

A self-interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to the Council. We confirm that no member of our audit engagement team, including those from other service lines, is in this position, in compliance with Ethical Standard 4.

There are no other self-interest threats at the date of this report.

#### ***Self-review threats***

Self-review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no other self-review threats at the date of this report.

#### ***Management threats***

Partners and employees of EY are prohibited from taking decisions on behalf of management of your entity. Management threats may also arise during the provision of a non-audit service where management is required to make judgements or decisions based on that work. There are no management threats at the date of this report.

#### ***Other threats***

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report

#### ***Overall Assessment***

Overall we consider that the adopted safeguards appropriately mitigate the principal threats identified, and we therefore confirm that EY is independent and the objectivity and independence of Mark Hodgson, the audit engagement Executive Director and the audit engagement team have not been compromised.

### **5.3 Other required communications**

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes within EY for maintaining objectivity and independence can be found in our annual Transparency Report, which the firm is required to publish by law. The most recent version of this report is for the year ended June 2016 and can be found here:

<http://www.ey.com/uk/en/about-us/ey-uk-transparency-report-2016>

## Appendix A Fees

A breakdown of our agreed fee is shown below.

	Planned Fee 2016/17 £'s	Scale fee 2016/17 £'s	Outturn fee 2015/16 £'s	Explanation
Opinion Audit and VFM Conclusion	52,916	52,916	52,916	Note 1
<b>Total Audit Fee – Code work</b>	<b>52,916</b>	<b>52,916</b>	<b>52,916</b>	
Certification of claims and returns 1	19,427	19,427	22,808	

*All fees exclude VAT.*

Note 1 – This is the first year that the Council may be required to produce consolidated financial statements (Group Accounts) depending on the timing of transactions currently in progress. If consolidated accounts are required we may have to request a scale fee variation to reflect the additional work required for the consolidation including instructing and relying upon the component auditor and in reviewing the disclosures required to meet the group consolidation requirements of the Code of Practice and International Accounting Standards.

The agreed fee presented above is based on the following assumptions:

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Officers provide appropriate responses to queries, draft audit reports and other information we request within agreed timescales;
- ▶ Our accounts opinion and value for money conclusion being unqualified;
- ▶ Appropriate quality of documentation is provided by the Council; and
- ▶ The Council has an effective control environment.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Council in advance.

Fees for the auditor's consideration of correspondence from the public and formal objections will be charged in addition to the scale fee.

<sup>1</sup> Our fee for the certification of grant claims is based on the indicative scale fee set by the PSAA.

## Appendix B UK required communications with those charged with governance

There are certain communications that we must provide to the [Performance and Audit Committee]. These are detailed here:

Required communication	Reference
<p><b>Planning and audit approach</b></p> <p>Communication of the planned scope and timing of the audit including any limitations.</p>	▶ Audit Plan
<p><b>Significant findings from the audit</b></p> <ul style="list-style-type: none"> <li>▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>▶ Significant difficulties, if any, encountered during the audit</li> <li>▶ Significant matters, if any, arising from the audit that were discussed with management</li> <li>▶ Written representations that we are seeking</li> <li>▶ Expected modifications to the audit report</li> <li>▶ Other matters if any, significant to the oversight of the financial reporting process</li> <li>▶ Findings and issues regarding the opening balances on initial audits [delete if not an initial audit]</li> </ul>	▶ Audit Results Report
<p><b>Misstatements</b></p> <ul style="list-style-type: none"> <li>▶ Uncorrected misstatements and their effect on our audit opinion</li> <li>▶ The effect of uncorrected misstatements related to prior periods</li> <li>▶ A request that any uncorrected misstatement be corrected</li> <li>▶ In writing, corrected misstatements that are significant</li> </ul>	▶ Audit Results Report
<p><b>Fraud</b></p> <ul style="list-style-type: none"> <li>▶ Enquiries of the Performance and Audit Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity</li> <li>▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>▶ A discussion of any other matters related to fraud</li> </ul>	▶ Audit Results Report
<p><b>Related parties</b></p> <p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> <li>▶ Non-disclosure by management</li> <li>▶ Inappropriate authorisation and approval of transactions</li> <li>▶ Disagreement over disclosures</li> <li>▶ Non-compliance with laws and regulations</li> <li>▶ Difficulty in identifying the party that ultimately controls the entity</li> </ul>	▶ Audit Results Report
<p><b>External confirmations</b></p> <ul style="list-style-type: none"> <li>▶ Management's refusal for us to request confirmations</li> <li>▶ Inability to obtain relevant and reliable audit evidence from other procedures</li> </ul>	▶ Audit Results Report
<p><b>Consideration of laws and regulations</b></p> <ul style="list-style-type: none"> <li>▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off</li> <li>▶ Enquiry of the Performance and Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Performance and Audit Committee may be aware of</li> </ul>	▶ Audit Results Report

Required communication	Reference
<p><b>Independence</b></p> <p>Communication of all significant facts and matters that bear on EY’s objectivity and independence</p> <p>Communication of key elements of the audit engagement director’s consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> <li>▶ The principal threats</li> <li>▶ Safeguards adopted and their effectiveness</li> <li>▶ An overall assessment of threats and safeguards</li> <li>▶ Information about the general policies and process within the firm to maintain objectivity and independence</li> </ul>	<ul style="list-style-type: none"> <li>▶ Audit Plan</li> <li>▶ Audit Results Report</li> </ul>
<p><b>Going concern</b></p> <p>Events or conditions identified that may cast significant doubt on the entity’s ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> <li>▶ Whether the events or conditions constitute a material uncertainty</li> <li>▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>▶ The adequacy of related disclosures in the financial statements</li> </ul>	<ul style="list-style-type: none"> <li>▶ Audit Results Report</li> </ul>
<p><b>Significant deficiencies in internal controls identified during the audit</b></p>	<ul style="list-style-type: none"> <li>▶ Audit Results Report</li> </ul>
<p><b>Fee Information</b></p> <ul style="list-style-type: none"> <li>▶ Breakdown of fee information at the agreement of the initial audit plan</li> <li>▶ Breakdown of fee information at the completion of the audit</li> </ul>	<ul style="list-style-type: none"> <li>▶ Audit Plan</li> <li>▶ Audit Results Report</li> <li>▶ Annual Audit Letter if considered necessary</li> </ul>
<p><b>Group audits</b></p> <ul style="list-style-type: none"> <li>▶ An overview of the type of work to be performed on the financial information of the components</li> <li>▶ An overview of the nature of the group audit team’s planned involvement in the work to be performed by the component auditors on the financial information of significant components</li> <li>▶ Instances where the group audit team’s evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor’s work</li> <li>▶ Any limitations on the group audit, for example, where the group engagement team’s access to information may have been restricted</li> <li>▶ Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements</li> </ul>	<ul style="list-style-type: none"> <li>▶ Audit Plan</li> <li>▶ Audit Results Report</li> </ul>
<p><b>Certification work</b></p> <ul style="list-style-type: none"> <li>▶ Summary of certification work undertaken</li> </ul>	<ul style="list-style-type: none"> <li>▶ Certification Report</li> </ul>

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**Committee:** PERFORMANCE & AUDIT COMMITTEE

**Agenda Item**

**Date:** 09 February 2017

**5**

**Title:** Internal Audit Progress Report,  
01 November 2016 to 27 January 2017

**Author:** Sheila Bronson, Internal Audit Manager  
01799 510610

Item for Information

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## Summary

1. To report to the Performance & Audit Committee details of work undertaken by Internal Audit since the last report to the Committee on 15 November 2016 and to provide an update on implemented and outstanding internal audit recommendations.

## Recommendations

2. That the Internal Audit Progress Report (01 November 2016 to 27 January 2017) be noted

## Financial Implications

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

## Background Papers

4. None

## Impact

- 5.

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

Sustainability	none
Ward-specific impacts	none
Workforce/Workplace	none

### Situation

6. The purpose of this report is to provide management and members with:
- i) Details of the work completed by Internal Audit since the last report to the Performance and Audit Committee at its meeting 15 November 2016;
  - ii) Performance against the Internal Audit Work Programme 2016/17;
  - 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 November 2016 to 27 January 2017

7. Between 01 November 2016 to 27 January 2017, 5 audits from the 2016/17 audit programme were completed and final reports issued with a total of 9 recommendations made. All final audit reports issued have been copied to Performance & Audit Committee Members and are available on the Council's Intranet. A summary of final reports issued between 01 November 2016 to 27 January 2017 is presented at Appendix A(i);
8. Between 01 November 2016 to 27 January 2017 work has started on the remaining 9 audits from the 2016/17 Audit Programme; progress on the 2016/17 programme is presented at Appendix A (ii).

### Audit Work Programme 2016/17

9. The Internal Audit Work Programme is a rolling programme of the audit work expected to be undertaken during 2016/17 and, in accordance with the Internal Audit Strategy, was reviewed and updated in January 2017 to identify the scope of audit work to be undertaken during the remainder of 2016/17.
10. The audit programme has been revised to take into account auditee timing requests, audit resource issues and unplanned investigations work which has reduced the number of anticipated audit days available.
11. To be able to provide meaningful year-end assurance, the revised programme should allow us to:
  - i) Complete work on the following audits:
    - Cash & Bank (Follow-up work)
    - Corporate Health & Safety

- Customer Service Centre
- Elections
- Electoral Registration
- Facilities Management
- Fleet & Fuel Management (Follow-up work)
- Fraud
- Housing – Stock and Voids
- Income, Fees & Charges
- Local Land Charges
- Mailroom & Reprographics
- Museum
- NNDR
- Partnerships
- Recovery

ii) Carry forward to 2017/18 or later the following previously provisional audits

- Budgets
- Car Parking Partnership
- Conservation & Trees
- Creditors
- Economic Development Service
- Grants & Awards (made)
- Housing & Health – Allocations
- Housing & Health - Community Health
- Housing & Health - Environmental Health - Food Safety & Infectious Disease Control
- Housing & Health - Equality & Diversity incl Access to Services
- Housing & Health – Homelessness
- Housing & Health - Services for Older People
- Housing Rents
- HR
- LCTS
- Legal Services
- Leisure – Day Centres
- Leisure – PFI
- Planning - Housing Strategy
- Planning – Local Plan
- Street Services - Income Generating Services & Asset Management
- Value for Money

12. The revised programme has been agreed with CMT at its meeting on 24 January 2017 and is presented in Appendix A(ii).

13. As of 27 January 2017, work has been undertaken on all of the revised 26 planned audits, of these:

i) 10 audits have been completed and Final Reports issued

- ii) 3 audits are at draft report stage
- iii) 13 audits are currently work in progress

**Recommendations Implemented 01 November 2016 to 27 January 2017**

14. There are 8 risk level 3 & level 4 recommendations which have been implemented in this period; a summary is presented at Appendix A (iii).

**Recommendations Not Implemented by due date at 27 January 2017**

15. As of 31 October 2016, there are no recommendations currently reported in Covalent as not implemented in accordance with their agreed due dates.

**Risk Analysis**

16.

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.

**FINAL REPORTS ISSUED** **01 November 2016 to 27 January 2017**

ref	Audit 2016/17	Potential days	Risk	Final Report Issued	Days Taken	Recommendations Made					Audit Opinion
						No.	Risk Level				
						total	4	3	2	1	
01 KF	Asset Management	10	3	19/01/17	9.34	0	0	0	0	0	substantial
10 KF	Payroll	15	4	16/12/16	18.00	8	2	2	3	1	limited
25 O	Grants & External Funding received	10	4	19/12/16	10.46	0	0	0	0	0	substantial
35 O	Insurance	10	4	02/11/16	8.81	1	0	0	1	0	substantial
41 O	Members' Allowances & Expenses	10	4	19/01/17	11.70	0	0	0	0	0	substantial
						9	2	2	4	1	
						total	4	3	2	1	

**PROGRESS ON THE AUDIT PROGRAMME 2016/17**

Internal Audit Programme 2016/17 – April 2016										
ref	Audit	2016/17 potential days	qtr	IA Risk 2016/ 17	Started	Draft	Final	Days Taken	Status	Comment
<b>01 KF</b>	<b>Asset Management</b>	<b>10</b>	<b>3</b>	<b>3</b>	<b>24/10/16</b>	<b>15/12/16</b>	<b>19/01/17</b>	<b>9.37</b>	<b>final</b>	
02 KF	Budgets	c/f		1				0.00		carried forward
<b>03 KF</b>	<b>Cash &amp; Bank</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>28/11/16</b>			<b>0.03</b>	<b>planning</b>	
04 KF	Creditors	c/f		2				0.00		carried forward
<b>05 KF</b>	<b>Fraud</b>	<b>15</b>	<b>4</b>	<b>3</b>	<b>18/07/16</b>			<b>1.99</b>	<b>planning</b>	
06 KF	LCTS	c/f		2				0.00		carried forward
07 KF	Housing Rents	c/f		2				0.00		carried forward
<b>08 KF</b>	<b>Income, Fees &amp; Charges</b>	<b>10</b>	<b>4</b>	<b>3</b>	<b>23/01/17</b>			<b>0.07</b>	<b>planning</b>	
<b>09 KF</b>	<b>NNDR</b>	<b>10</b>	<b>4</b>	<b>3</b>	<b>31/08/16</b>			<b>4.36</b>	<b>planning</b>	
<b>10 KF</b>	<b>Payroll</b>	<b>15</b>	<b>1</b>	<b>4</b>	<b>18/05/16</b>	<b>24/08/16</b>	<b>16/12/16</b>	<b>18.00</b>	<b>final</b>	
<b>11 KF</b>	<b>Recovery</b>	<b>20</b>	<b>1</b>	<b>3</b>	<b>22/06/16</b>	<b>14/12/16</b>		<b>19.84</b>	<b>draft</b>	
<b>12 KF</b>	<b>Treasury Management</b>	<b>5</b>	<b>1</b>	<b>3</b>	<b>22/06/16</b>	<b>18/07/16</b>	<b>02/08/16</b>	<b>5.77</b>	<b>final</b>	
13 KF	Value for Money	c/f		4				0.38		carried forward
<b>14 O</b>	<b>Business Continuity</b>	<b>10</b>	<b>2</b>	<b>4</b>	<b>19/04/16</b>	<b>05/09/16</b>	<b>28/10/16</b>	<b>10.53</b>	<b>final</b>	
15 O	Car Parking Partnership (NEPP)	c/f		3				0.00		carried forward
16 O	Conservation & Trees	c/f		2				0.00		carried forward
<b>17 O</b>	<b>Corporate Governance &amp; AGS</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>05/04/16</b>	<b>04/05/16</b>	<b>28/07/16</b>	<b>3.72</b>	<b>final</b>	
<b>18 O</b>	<b>Customer Service Centre</b>	<b>20</b>	<b>1</b>	<b>3</b>	<b>05/08/16</b>	<b>18/01/16</b>		<b>20.06</b>	<b>draft</b>	
19 O	Economic Development Service	c/f		2				0.00		carried forward
<b>20 O</b>	<b>Elections</b>	<b>10</b>	<b>2</b>	<b>3</b>	<b>30/08/16</b>			<b>10.25</b>	<b>testing</b>	
<b>21 O</b>	<b>Electoral Registration</b>	<b>10</b>	<b>2</b>	<b>3</b>	<b>30/08/16</b>			<b>11.45</b>	<b>testing</b>	
<b>22 O</b>	<b>Enforcement</b>	<b>10</b>	<b>1</b>	<b>2</b>	<b>25/04/16</b>	<b>27/06/16</b>	<b>12/07/16</b>	<b>11.26</b>	<b>final</b>	
<b>23 O</b>	<b>Facilities Management</b>	<b>15</b>	<b>3</b>	<b>2</b>	<b>11/11/16</b>	<b>18/01/16</b>		<b>13.51</b>	<b>draft</b>	
24 O	Grants & Awards (made)	c/f		4				0.00		carried forward
<b>25 O</b>	<b>Grants &amp; External Funding received</b>	<b>10</b>	<b>2</b>	<b>4</b>	<b>18/07/16</b>	<b>14/12/16</b>	<b>19/12/16</b>	<b>10.46</b>	<b>final</b>	
26 O	H&H - Allocations	c/f		2				0.00		carried forward
27 O	H&H - Community Health	c/f		3				3.39		carried forward
<b>28 O</b>	<b>H&amp;H – Env Health - Food Safety</b>	<b>c/f</b>		<b>3</b>				<b>0.00</b>		<b>carried forward</b>

**PROGRESS ON THE AUDIT PROGRAMME 2016/17**

ref	Audit	2016/17 potential days	qtr	IA Risk 2016/17	Started	Draft	Final	Days Taken	Status	Comment
29 O	H&H - Equality & Diversity	c/f		4				0.00		carried forward
30 O	<b>Corporate Health &amp; Safety</b>	<b>10</b>	<b>4</b>	<b>3</b>	<b>19/01/17</b>			<b>1.48</b>	<b>planning</b>	
31 O	H&H - Homelessness	c/f		2				0.00		
32 O	H&H - Services for Older People	c/f		3				0.00		carried forward
33 O	<b>H&amp;H - Stock &amp; Voids</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>19/01/17</b>			<b>1.73</b>	<b>planning</b>	
34 O	HR	c/f		2				0.00		
35 O	<b>Insurance</b>	<b>10</b>	<b>3</b>	<b>4</b>	<b>29/07/16</b>	<b>05/19/16</b>	<b>02/11/16</b>	<b>8.81</b>	<b>final</b>	
36 O	Legal Services	c/f		3				0.00		
37 O	Leisure - Day Centres	c/f		3				0.00		
38 O	Leisure - PFI	c/f		3				0.00		
39 O	<b>Local Land Charges</b>	<b>10</b>	<b>4</b>	<b>3</b>	<b>23/01/17</b>			<b>0.00</b>	<b>planning</b>	
40 O	<b>Mailroom &amp; Reprographics</b>	<b>10</b>	<b>4</b>	<b>3</b>	<b>23/01/17</b>			<b>0.00</b>	<b>planning</b>	
41 O	<b>Members' Allowances</b>	<b>10</b>	<b>3</b>	<b>4</b>	<b>15/11/16</b>	<b>20/12/16</b>	<b>19/01/17</b>	<b>11.73</b>	<b>final</b>	
42 O	<b>Museum</b>	<b>10</b>	<b>3</b>	<b>3</b>	<b>17/08/16</b>			<b>6.97</b>	<b>planning</b>	
43 O	<b>Partnerships</b>	<b>10</b>	<b>2</b>	<b>4</b>	<b>10/08/16</b>			<b>4.39</b>	<b>planning</b>	
44 O	<b>Performance Management</b>	<b>15</b>	<b>1</b>	<b>3</b>	<b>04/05/16</b>	<b>27/07/16</b>	<b>12/09/16</b>	<b>13.50</b>	<b>final</b>	
45 O	Planning - Housing Strategy	c/f		4				0.00		carried forward
46 O	Planning - Local Plan	c/f		3				0.00		carried forward
47 O	<b>SS - Fuel Management</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>23/01/17</b>			<b>0.00</b>	<b>planning</b>	
48 O	SS - Income Generating Services	c/f		4				0.00		carried forward
	<b>TOTAL AUDIT DAYS</b>	<b>256</b>						<b>203.05</b>		

**LEVEL 3 & 4 RECOMMENDATIONS IMPLEMENTED 16 July - 31 October 2016**

Code & Title	Description	Risk Level	Managed By	Due Date	Completed
1516 02KF CASH & BANK 01	<p>It is recommended that all use of the eBay account is suspended until the following have been implemented:</p> <p>a) Correct accounting procedures are set up and documented for the UDC eBay account, including monitoring and reconciliation arrangements;</p> <p>b) A thorough review is undertaken of all transactions relating to sales of UDC assets through eBay to ensure the correct posting to service budgets of monies received;</p> <p>c) A thorough review is undertaken of all transactions relating to sales of UDC assets through eBay to ensure the correct treatment of VAT, including raising of VAT invoices for all sales made;</p> <p>d) A thorough review is undertaken of all transactions relating to purchases of UDC assets through eBay to ensure that there has been no major breach of Financial Regulations;</p> <p>e) A thorough review is undertaken of all transactions relating to purchases of UDC assets through eBay to ensure the authorisation of purchases and correct posting to service budgets of all payments made;</p> <p>f) A thorough review is undertaken of all transactions relating to purchases of UDC assets through eBay to ensure the correct treatment of VAT;</p> <p>g) A thorough review is undertaken of the security and authorisation arrangements for the UDC eBay account.</p>	4	Assistant Director of Resources /  Assistant Director of Corporate Services	31-Aug-16	26-Jan-17
1516 02KF CASH & BANK 01	<p>It is recommended that all use of the eBay account is suspended until the following have been implemented:</p> <p>a) Correct accounting procedures are set up and documented for the UDC eBay account, including monitoring and reconciliation arrangements;</p> <p>b) A thorough review is undertaken of all transactions relating to sales of UDC assets through eBay to ensure the correct posting to service budgets of monies received;</p> <p>c) A thorough review is undertaken of all transactions relating to sales</p>	4	Assistant Director of Resources /  Assistant Director of Corporate Services	31-Aug-16	26-Jan-17



**LEVEL 3 & 4 RECOMMENDATIONS IMPLEMENTED 16 July - 31 October 2016**

Code & Title	Description	Risk Level	Managed By	Due Date	Completed
	<p>of UDC assets through eBay to ensure the correct treatment of VAT, including raising of VAT invoices for all sales made;</p> <p>d) A thorough review is undertaken of all transactions relating to purchases of UDC assets through eBay to ensure that there has been no major breach of Financial Regulations;</p> <p>e) A thorough review is undertaken of all transactions relating to purchases of UDC assets through eBay to ensure the authorisation of purchases and correct posting to service budgets of all payments made;</p> <p>f) A thorough review is undertaken of all transactions relating to purchases of UDC assets through eBay to ensure the correct treatment of VAT;</p> <p>g) A thorough review is undertaken of the security and authorisation arrangements for the UDC eBay account.</p>				
1516 350 STREET SERVICES - FUEL & FLEET MANAGEMENT & TRANSPORT MAINTENANCE 01	<p>FUEL &amp; FLEET MANAGEMENT</p> <p>It is recommended that:</p> <ul style="list-style-type: none"> <li>. the Corporate Management Team assign overall responsibility for Fuel and Fleet Management;</li> <li>. that corporate guidance on vehicle and fuel card usage is drawn up that includes clarification of the roles and responsibility of all vehicle users and their managers in particular in the implementation of the relevant recommendations included in this report.</li> </ul>	3	Director of Public Services	31-Dec-16	01-Dec-16
1516 350 STREET SERVICES - FUEL & FLEET MANAGEMENT & TRANSPORT MAINTENANCE 02	<p>FUEL &amp; FLEET MANAGEMENT</p> <p>It is recommended that corporate responsibility is assigned for ensuring that reconciliations are carried out of fuel usage against the supplier's statements and that anomalies identified are investigated.</p>	3	Director of Public Services	31-Dec-16	01-Dec-16

**LEVEL 3 & 4 RECOMMENDATIONS IMPLEMENTED 16 July - 31 October 2016**

Code & Title	Description	Risk Level	Managed By	Due Date	Completed
1516 350 STREET SERVICES - FUEL & FLEET MANAGEMENT & TRANSPORT MAINTENANCE 06	FUEL & FLEET MANAGEMENT It is recommended that individual services allocated with use of council vehicles are informed of the need to ensure that drivers carry out the daily inspections on vehicle roadworthiness and that the Vehicle Daily Log is completed.	3	Director of Public Services / Assistant Director ICT & Facilities	30-Nov-16	30-Nov-16
1516 360 Trade Waste 01	It is recommended that the Council informs on their website of the duty of care under EPA 1990 on storage and disposal of waste generated by new start up and local businesses in the district.	3	Street Services Operations Manager	30-Nov-16	03-Nov-16
1617 10KF Payroll 04	It is recommended that Managers in Street Services do not submit and sign forms on behalf of the claimant for overtime claims. The signature to certify and confirm the actual hours to be claimed for should be signed or marked by the employee named on the form and then approved by management. Any forms not signed by the employee should be returned to the service manager by the Payroll Officer.	4	Street Services Operations Manager / Assistant Director of Corporate Services	31-Dec-16	19-Dec-16
1617 10KF Payroll 05	It is recommended that HR undertake training sessions to be given to all Street Services managers and supervisors in all aspects of overtime claims and contractual arrangements	3	Street Services Operations Manager / Assistant Director of Corporate Services	30-Apr-17	19-Dec-16

**Committee: Performance & Audit Committee**

**Agenda Item**

**Date: 09 February 2017**

**6**

**Title: Internal Audit Work Programme 2017/18**

**Author: Sheila Bronson  
Internal Audit Manager  
01799 510610**

Item for approval

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## Summary

1. The purpose of this report is to present to Members the details of the proposed Internal Audit work areas for 2017/18.

## Recommendations

2. That Members approve the proposed Internal Audit work areas for 2017/18 and consider any additional areas for Internal Audit work during in 2017/18.

## Financial Implications

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

## Background Papers

None.

## Impact

- 4.

Communication/Consultation	The Internal Audit Work Programme 2017/18 referred to in this report has been agreed with Corporate Management Team at its meeting 25 January 2017
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

5. Internal Audit is part of the Council's corporate governance framework. Corporate governance is defined as the system by which local authorities direct and control their functions. The requirement for adequate and effective Internal Audit is statutory for all local authorities.
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 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 and the plan must be reviewed and approved by senior management (CMT) and the board (Performance & Audit Committee).
7. In 2011/12 we adopted the methodology of a rolling programme of risk based internal audit work to meet requirements and resources during the year.

## Internal Audit Work Areas 2017/18

8. The rolling programme of Internal Audit work for 2017/18 will subject to regular review and updating half-yearly and at any other time as necessary.
9. The available audit days have been calculated on the resources of:
  - 1 x Audit Manager
  - 1 x FT Internal Auditor
  - 1 x 0.67 FTE Internal Auditor
10. The initial Internal Work Programme for 2017/18 is calculated on the allocation of audit days calculated as follows:

<b>Total Days available</b>	694
Less non-productive (e.g. bank holidays, leave, admin, CPD, Training etc.)	<u>-253</u>
<b>Total available productive time</b>	441
Less Productive non-audit work (e.g. Annual Governance Statement; External Quality Assessment; consultancy & general advice; Committee & Member related work; Contribution to Corporate Management; fraud related work; irregularity provision; follow-up work; residual 2016/17 work etc.)	<u>-156</u>
<b>Total days available for planned audit work</b>	<b>285</b>

11. The 2017/18 programme audit work is risk based as far as is possible; our priorities for audits are:
1. Corporate Plan Actions / Corporate & Strategic Risks / Key Performance Indicators (latest data available at the time of preparation of this report);
  2. Key Financials –statutory audits;
  3. Internal Audit identified high risk areas;
  4. Specifically requested risk areas or services;
  5. Audits carried forward from the 2015/16 plan;
  6. Overdue audits from the strategic plan.
12. The areas currently under consideration for audit work throughout 2017/18 are detailed in the Internal Audit Work Programme at Appendix A(i).
13. I am proposing to move to a three year key financial auditing cycle from 2017/18. This will be reviewed annually but generally key financials will be audited every third year unless circumstances dictate otherwise.
14. The 2017/18 Strategic Programme details all of the potential audit areas and the information on which the audit risk assessment has been based and is reproduced in Appendix A(ii).
15. Once Corporate Plan & Directorate Plan Actions & Risks 2017/18 have been confirmed, the Internal Audit Work Programme for the first 6 months of 2017/18 will be agreed with the Corporate Management Team and presented to the next meeting of this Committee along with the Internal Audit Strategy 2017/18
16. All revisions to the programme will be reported to the Committee through Internal Audit Progress Reports.

## Risk Analysis

17.

Risk	Likelihood	Impact	Mitigating actions
The Council does not provide for an adequate and effective internal audit function	1 Internal Audit function is an integral part of the Council	3 Statutory requirement, adverse External Auditor comment	Strategic audit programme approved by Senior Officers and Members, reconciled to available audit resource
The Council's audit environment changes and available audit	2 No spare capacity if unforeseen long term	2 Review of audit plan leading to reduction of	Regular monitoring and highlighting potential shortfall

resource is no longer sufficient	absence of staff	audit coverage. Potential shared / joint working agreements with neighbouring authorities	
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1 = Little or no risk or impact

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

3 = Significant risk or impact – action required

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

Internal Audit Work Programme 2017/18 Planning January 2017		Initial	2017/18 potential days	IA Risk assessment 2017/18	comment 2017/18	last audited	last audit opinion
ref							
01C	Corporate Commercial Enterprise		10	4	new audit		
02C	Corporate Governance & Ethical Culture		10	3	to include ethical culture	2014/15	substantial
03C	Corporate Investment		10	4	new audit		
04C	Corporate Value for Money		10	2	b/f from 2016/17		
05KF	Resources - Budgets		5	2	kf yr 1 b/f from 2016/17 (provisional)	2015/16	substantial
06KF	Resources - Council Tax		10	2	kf yr 1	2015/16	substantial
07KF	Resources - LCTS		10	2	kf yr 1	2015/16	substantial
08KF	Resources - Main Accounting System		10	1	kf yr 1	2015/16	substantial
09KF	Resources -Taxation		10	1	kf yr 1	2015/16	substantial
10KF	Corp Services - Payroll		5	3	follow-up to 2016/17 audit kf yr 2	2016/17	limited
110	Corp Services - Communication		10	3		2015/16	substantial
120	Corp Services - Day Centres		10	3	new audit b/f from 2016/17		
130	Corp Services - Grants to Voluntary Organisations		10	3	service changes; b/f from 2016/17 (provisional)	2012/13	adequate
140	Corp Services - HR		10	4	sickness management; b/f from 2016/17	2014/15	adequate
150	Corp Services - Leisure - PFI		10	3	b/f from 2016/17	2014/15	substantial
160	Housing & Health - Environmental Health - Enforcement		10	2	service changes		
170	Housing & Health - Environmental Health - Food Safety & Infectious Disease Control		10	3	b/f from 2016/17 (provisional)		
180	Housing & Health - Wellbeing - Equality & Diversity incl Access to Services		10	3	b/f from 2016/17 (provisional)	2012/13	limited
190	Housing & Health - Wellbeing - Community Health		10	3	services changes; b/f from 2016/17 orig CMT request	2015/16	substantial
200	Housing & Health - Wellbeing - Community Safety - incl ASB & Safeguarding		10	4	service changes	2014/15	substantial
210	Housing & Health - Wellbeing - Services for Older People		10	3	b/f from 2016/17 (provisional)	2014/15	substantial
220	Legal Services - Legal		10	3	services changes; b/f from 2016/17	2012/13	
230	Planning - Car Parking Partnership (NEPP)		10	2	b/f from 2016/17 (provisional)	2015/16	limited
240	Planning - Conservation		5	3	services changes; b/f from 2016/17	2012/13	substantial
250	Planning - Economic Development Service		10	3	b/f from 2016/17	2014/15	substantial
260	Planning - Energy Efficiency		10	3		2012/13	adequate
270	Planning - Housing Strategy		10	4	b/f from 2016/17 (provisional)	2011/12	adequate
280	Planning - Landscape		5	3	b/f from 2016/17 (provisional)		
290	Planning - Local Plan		15	4	b/f from 2016/17		
300	Street Services - Income Generating Services & Admin		10	4		2012/13	limited
	Corporate Counter Fraud		p	2	dependent on 2016/17opinion	2016/17	
	Corporate Fleet & Fuel Management		p	3	dependent on 2016/17opinion	2016/17	
	Corporate Health & Safety		p	2	dependent on 2016/17opinion	2016/17	adequate
	Corporate Partnerships		p	2	dependent on 2016/17opinion	2016/17	
KF	Resources - Cash & Bank		p	2	dependent on 2016/17opinion kf yr 2	2016/17	
KF	Resources - Income, Fees & Charges		p	2	dependent on 2016/17opinion kf yr 2	2016/17	substantial
KF	Resources - NNDR		p	2	dependent on 2016/17 opinion kf yr 3	2016/17	substantial
	Corp Services - Museum		p	2	dependent on 2016/17opinion	2016/17	
	Democratic & Electoral Services - Elections		p	2	dependent on 2016/17opinion	2016/17	adequate
	Democratic & Electoral Services - Electoral Registration		p	2	dependent on 2016/17opinion	2016/17	substantial
	Housing & Health - Property Services - Stock & Voids		p	2	dependent on 2016/17opinion	2016/17	
	ICT & Facilities - Printing & Mailroom		p	2	dependent on 2016/17opinion	2016/17	
	Legal Services - Local Land Charges		p	2	dependent on 2016/17opinion	2016/17	
			285				





AUDIT		2017/18 potential days	2017/18 programme (initial)	IA Risk assessment 2017/18	Corp plan 2017-21 (draft dec 16)	Corp Risks Risk qtr 2 2016/17	KPIs Risk of failure qtr 2 2016/17	comment 2017/18	last audited	last audit opinion
<b>Strategic Programme 2017/18 January 2017</b>										
<b>Corporate Commercial Enterprise</b>										
	Corporate Counter Fraud	10	y	4	4d			new audit		
	Corporate Fleet & Fuel Management		p	3	4b			dependent on 2016/17opinion	2016/17	
	Corporate Governance & Ethical Culture	10	y	3		16CR07 3;	16-CR 12 16	to include ethical culture	2014/15	substantial
	Corporate Health & Safety		p	2		16CR07 3		dependent on 2016/17opinion	2016/17	adequate
	Corporate Information Management & Security		n	2		16CR07 3			2015/16	adequate
	Corporate Investment	10	y	4	4a	16CR09 3		new audit		
	Corporate Partnerships		p	2	1e;2c;4f	16CR03 6;	16CR11 9;	dependent on 2016/17opinion	2016/17	
	Corporate Training		n	1		16CR07 3			2014/15	adequate
	Corporate Value for Money	10	y	2	4a;4b;4c	16CR11 9;	16CR12 16	bif from 2016/17		
kf	Corp Services - Payroll	5	y	3				follow-up to 2016/17 audit Kf yr 2	2016/17	limited
kf	ICT & Facilities - Asset Management		n	1	4b	16CR02 9		Kf yr 3	2016/17	substantial
kf	Resources - Budgets	5	y	2	4a	16CR02 9		Kf yr 1 bif from 2016/17 (provisional)	2015/16	substantial
kf	Resources - Cash & Bank		p	2	4a	16CR02 9		dependent on 2016/17opinion Kf yr 2	2016/17	
kf	Resources - Contracts & Procurement		n	1	4a	16CR02 9		Kf yr 2	2015/16	substantial
kf	Resources - Council Tax	10	y	2	4a	16CR02 9	KPI05 A;KPI	Kf yr 1	2015/16	substantial
kf	Resources - Creditors		n	2	4a	16CR02 9	KPI01 R	Kf yr 2	2015/16	substantial
kf	Resources - Grants & External Funding received		n	1	4a	16CR15 9		Kf yr 3	2016/17	substantial
kf	Resources - Housing Rents		n	2	4a	16CR02 9	KPI16 G	Kf yr 2	2015/16	substantial
kf	Resources - Income, Fees & Charges		p	2	4a	16CR02 9		dependent on 2016/17opinion Kf yr 2	2016/17	substantial
kf	Resources - Insurance		n	1	4a;4b			Kf yr 3	2016/17	substantial
kf	Resources - LCTS	10	y	2	4a	16CR02 9	KPI04 G;KPI	Kf yr 1	2015/16	substantial
kf	Resources - Main Accounting System	10	y	1	4a	16CR02 9		Kf yr 1	2015/16	substantial
kf	Resources - NNDR		p	2	4a	16CR02 9	KPI03 A	dependent on 2016/17 opinion Kf yr 3	2016/17	substantial
kf	Resources - Recovery		n	2	4a	16CR02 9		Kf yr 3	2016/17	satisfactory
kf	Resources - Taxation	10	y	1	4a	16CR02 9		Kf yr 1	2015/16	substantial
kf	Resources - Treasury Management		n	1	4a	16CR02 9		Kf yr 3	2016/17	substantial
	Corp Services - Communication	10	y	3	b;2b;2c;3a;	16CR06 9			2015/16	substantial
	Corp Services - Customer Service Centre		n	2	1b;4e				2016/17	satisfactory
	Corp Services - Day Centres	10	y	3	1e;1h			new audit bif from 2016/17		
	Corp Services - Grants to Voluntary Organisations	10	y	3	1e;2c			service changes; bif from 2016/17 (provisional)	2012/13	adequate
	Corp Services - HR	10	y	4		16CR07 3	KPI07a G;	new system; employee sickness management bif from 2016/17	2014/15	adequate
	Corp Services - Leisure - PFI	10	y	3	1e			bif from 2016/17	2014/15	substantial
	Corp Services - Museum		p	2	2c			dependent on 2016/17opinion	2016/17	
	Corp Services - Performance Management		n	1	4b;4c				2016/17	satisfactory
	Corp Services - Risk Management		n	2	4a;4c				2015/16	substantial
	Democratic & Electoral Services - Democratic Services		n	2						
	Democratic & Electoral Services - Elections		p	2				dependent on 2016/17opinion	2016/17	adequate
	Democratic & Electoral Services - Electoral Registration		p	2				dependent on 2016/17opinion	2016/17	substantial
	Democratic & Electoral Services - Members' Allowances & Expenses		n	1				dependent on 2016/17opinion	2016/17	substantial
	Housing & Health - Environmental Health - Business Continuity		n	1		16SR01 6			2016/17	satisfactory
	Housing & Health - Environmental Health - Commercial other		n	2					2013/14	adequate
	Housing & Health - Environmental Health - Disabled Facilities Grants		n	1	1h				2014/15	substantial
	Housing & Health - Environmental Health - Emergency Planning		n	3		16SR02 2			2013/14	adequate
	Housing & Health - Environmental Health - Enforcement	10	y	2				service changes		
	Housing & Health - Environmental Health - Food Safety & Infectious Disease Control	10	y	3				bif from 2016/17 (provisional)		
	Housing & Health - Environmental Health - Imported Food Controls		n	1					2015/16	adequate
	Housing & Health - Environmental Health - Licensing		n	1					2015/16	adequate
	Housing & Health - Environmental Health - Protection other		n	2					2013/14	adequate
	Housing & Health - Property Services - Planned Maintenance		n	2						
	Housing & Health - Property Services - Repairs Service		n	1					2015/16	adequate
	Housing & Health - Property Services - Right to Buy		n	1					2015/16	adequate
	Housing & Health - Property Services - Stock & Voids		p	2	1f	16CR04 9	KPI08 R	dependent on 2016/17opinion	2016/17	
	Housing & Health - Property Services - Stores		n	1					2015/16	adequate
	Housing & Health - Wellbeing - Equality & Diversity incl Access to Services	10	y	3				bif from 2016/17 (provisional)	2012/13	limited
	Housing & Health - Wellbeing - Allocations		n	1					2015/16	substantial
	Housing & Health - Wellbeing - Community Health	10	y	3	1c;1e			services changes; bif from 2016/17 orig CMT request	2015/16	substantial
	Housing & Health - Wellbeing - Community Safety - incl ASB & Safeguarding	10	y	4	1b;1c;1e			service changes	2014/15	substantial
	Housing & Health - Wellbeing - Homelessness		n	1	1f;1g				2015/16	substantial
	Housing & Health - Wellbeing - Rent Deposit Scheme		n	1					2014/15	substantial
	Housing & Health - Wellbeing - Services for Older People	10	y	3	1e;1h			bif from 2016/17 (provisional)	2014/15	substantial
	ICT & Facilities - Facilities Management		n	2	4b				2016/17	satisfactory
	ICT & Facilities - ICT		n	2	4e				2015/16	substantial
	ICT & Facilities - Printing & Mailroom		p	2	1e;2c;4f	16CR03 6;	16CR11 9;	dependent on 2016/17opinion	2016/17	
	Legal Services - Legal	10	y	3				services changes; bif from 2016/17	2012/13	
	Legal Services - Local Land Charges		p	2		16CR07 3		dependent on 2016/17opinion	2016/17	
	Planning - Building Control Service and Fees		n	2					2014/15	substantial
	Planning - Car Parking Partnership (NEPP)	10	y	2	3b;3d	16CR05 6		bif from 2016/17 (provisional)	2015/16	limited
	Planning - Conservation	5	y	3	2d	16CR17 6		services changes; bif from 2016/17	2012/13	substantial
	Planning - Development Management, Support & Advice		n	3				KPI11 R;KPI12 A;KPI13 G	2014/15	substantial
	Planning - Economic Development Service	10	y	3	2d;3c;3e;3f	16CR09 3;16CR18 6		bif from 2016/17	2014/15	substantial
	Planning - Energy Efficiency	10	y	3	4b;4c	16CR15 6			2012/13	adequate
	Planning - Enforcement	10	y	1		16CR16 2			2016/17	satisfactory
	Planning - Housing Strategy	10	y	4	1d;1f	16CR04 9;		bif from 2016/17 (provisional)	2011/12	adequate
	Planning - Landscape	5	y	3				bif from 2016/17 (provisional)		
	Planning - Local Plan	15	y	4	1d;1f;2a;2d	16CR04 9		bif from 2016/17		
	Planning - Section 106 Obligations		n	1	4a				2015/16	substantial
	Street Services - Grounds Maintenance		n	1					2014/15	adequate
	Street Services - Highway Ranger Services		n	1					2014/15	adequate
	Street Services - Income Generating Services & Admin	10	y	4	4a				2012/13	limited
	Street Services - Street Cleaning		n	1					2014/15	adequate
	Street Services - Trade Waste		n	1	4a				2015/16	adequate
	Street Services - Transport Maintenance		n	1	4b				2015/16	adequate
	Street Services - Waste & Recycling		n	1	4c			KPI 14 A; KPI 15 R	2014/15	adequate
		285								



**Committee:** Performance and Audit

**Agenda Item**

**Date:** 9 February 2017

**7**

**Title:** Health and Safety Update

**Author:** David Cottrell, Health and Safety Officer  
GMIOSH, ACIEH

Item for information

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## Summary

1. At November's Performance and Audit Committee meeting, members requested bi-annual Health and Safety and Procurement reports. The reports have been timetabled so one or the other goes to the committee each quarter.
2. This report summarises Health and Safety statistics and activities in the 2016 calendar year. It gives details of accident report types, training, policy, risk assessments, costs and savings. The report shows how year on year there has been an increased level of accident reporting, but a marked decrease in the severity and time off work as a result. RIDDORS currently sit at a five year low.

## Recommendations

3. None

## Financial Implications

4. There are no financial implications arising from this report

## Background Papers

5. 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.

Legislation – Health and Safety at Work Act (and others) 1974. Within UDC we work to HSE - HSG 65 (Health and Safety Guidance issued by the HSE).

## Impact

- 6.

Communication/Consultation	Regular communication with staff about health and safety issues, including personal communication and visibility exercises, on site safety clinics, monthly tool box talks, learning exercises and a quarterly newsletter
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Community Safety	Health and safety awareness and training improves the safety of the community when in contact with our staff
Equalities	None
Health and Safety	Effective policies and procedures have improved health and safety in the council
Human Rights/Legal Implications	Ineffective health and safety on the workplace could lead to serious legal implications
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	Health and safety is an essential part of the workplace

## Situation

7. The safety calendar runs from 1 January to 31 December and this report gives an overview of Health and Safety within UDC. The Council has become a much safer work place with a record low over the past 5 years in RIDDORS and a marked reduction in work place related injuries, including slips trips and fall (reduced by 50%).
8. Attached as Appendix 1 are the accident statistics for 2016. These are broken down by accident type and service area. Appendix 2 shows a summary of all accidents for the five years period from 2011 to the end of 2016.

## 9. UDC - Accident Book Totals last 3 years

### 2014

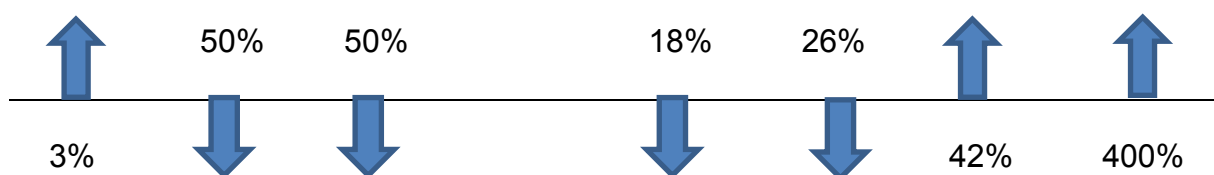
Total Reports	RIDDOR HSE informed	+7 days off work	-7 days off work	Remained at work	Near Miss	RTC	Aggressive incidents
71	10	10	11	30	14	2	4

### 2015

Total Reports	RIDDOR HSE informed	+7 days off work	-7 days off work	Remained at work	Near Miss	RTC	Aggressive incidents
73	4	4	8	31	15	14	1

### 2016

Total Reports	RIDDOR HSE informed	+7 days off work	-7 days off work	Remained at work	Near Miss	RTC	Aggressive incidents
75	2	2	8	25	11	25	5



## POLICIES, RISK ASSESSMENTS, SAFE SYSTEMS OF WORK, ETC.

10. Apart from the main Health & Safety Policy, the Council at present has many other supporting documents associated with Health & Safety. All of the policies are available on the Health & Safety section of the intranet.

11. In 2016 there were 23 Generic Corporate Risk Assessments and 31 Safe Systems of Working Procedures which have also been prepared and are available on the Health & Safety section of the intranet.

12. Policy brought in by Health and Safety in 2016 includes:

- Use of Mobile telephones and other hand held devices whilst driving or operating machinery
- Driving at work

13. All are subject to review as necessary, including COSHH assessments. There is no intention at this time to grow the number of Generic Corporate Risk Assessments above.

14. In 2016 some specific specialist risk assessments and Safe Systems of Work have been completed:

- Litter picking A120 (Compliance Safety at Street Works and Road Works)
- Working outside and on the Highway
- Polling Stations
- Canvassing
- Threat Assessment (Full Council meetings and Planning Committee)

## **MANAGEMENT OF RISK**

15. Working practices are always under scrutiny, both reactively as would be expected, but also proactively before accidents occur. A good example of this is slips trips and falls, which were identified in 2015 as a major contributing factor to accidents in Street Services Waste Collection. By examining each accident it was concluded that the lack of ankle support was a probable contributing factor.

16. As a result the Council changed the footwear provided to a higher, more expensive spec (a slight cost rise of £15 per pair of boots compared to the previous type worn). Toe tech trainers or shoes which offer no ankle protection were banned. Toolbox talks, training and positive reinforcement of Safe Systems of Work and Risk Assessments were provided..

17. One year on, accidents across UDC are down, in particular within Street Services in relation to slips, trips and falls (11 in 2015, 1 in 2016).

18. Although Road Traffic Collisions (RTCs) data suggests a substantial rise year on year, this is because specific data regarding RTCs only started being collated in 2015 (partially) and fully within 2016. Prior to 2015 no specific data was kept on this type of accident at work.

19. Most of the RTCs recorded in 2016 are very minor in nature, such as hitting a road sign while reversing or similar. Much more effort has been made to capture this information though. This coming year will give the opportunity to make the first real comparisons with regard to these statistics.

20. As a direct result of this information the Council worked in partnership with Zurich Insurance to develop a Driving at Work Policy and a Management of Driving at Work Scheme based around active supervision, engagement, intervention, testing and assessment of drivers as and when required.

## **TRAINING**

21. Since 2015 and the reintroduction of internal in house accredited training, the following courses were delivered:

2015/2016 Course Type	Attendees/No of Courses
Safety and accident reporting (supervisors)	5/1
Manual handling	40/5
Working at height	40/5
Lone working device	36/2
Tool box talks various	80/5
Asbestos Awareness	18/2
Conflict resolution and armed hold up	61/8
Personal Safety Training (Councillors)	20/1

22. There is a significant cost saving set against each student when training is delivered internally by an accredited trainer.

23. A safer driving at work course is due for delivery in 2017 where 60 to 100 participants are expected. This flows on from the work done with Zurich on accident reduction measures.

### **COST SAVINGS IN 2016**

24. Health and Safety Training courses have saved UDC approximately £24,000 in 2016 (Courses worked out for 300 staff costing between £60 - £90 per student which reflects current outside course pricing).

### **HEALTH SURVEILLANCE**

25. A health and wellbeing day was held in March 2016. Where advice on healthy living, diet, wellbeing, cycling to work, along with a juice bar and much more was provided, as were a range of cost free medical tests to staff:

- |   |                 |
|---|-----------------|
| • 16 Osteoporosis Assessments @ £20.00 each       | £320.00         |
| • 18 Cardiovascular Assessments @ £20.00 each     | £360.00         |
| • 19 Cholesterol & Glucose tests @ £15.00 each    | £285.00         |
| • 9 Prostate Specific Antigen tests @ £25.00 each | £225.00         |
| <b>Total cost to UDC of tests</b>                 | <b>£1190.00</b> |

More than 100 people visited the event, which was a good turnout.

### **ACCIDENTS AND NEAR MISS REPORTING**

26. The level of near miss reporting has stabilized at 11 to 16 per annum. It is very likely that there is still under reporting, reflected in the accidents with minor injury or no injury and where subject remained at work, or simple no reporting.

27. Campaigns around near misses will continue.

**RIDDOR**

28. There were only two RIDDORS reported in 2016 and there has been a year-on-year decrease from 11 in 2013. The 2016 breakdown shows the single injury RIDDOR as a back injury requiring just over two weeks to return to work (so a very minor RIDDOR), with the second being a gas safe incident reported to the HSE via RIDDOR (this incident again was a minor event).

**ASBESTOS**

29. In November 2016 the first meeting of the UDC Asbestos Management Group took place to review the Council’s asbestos register, risk assessments, safe systems of work and more. The meeting chaired in Housing Services by the Property Services Manager.

30. The group is responsible for managing all asbestos risk within all UDC owned and controlled properties.

**COMMUNICATION**

31. Communication methods have included poster campaigns, newsletters, tool box talks, team meetings, face to face discussion and emails.

**STRESS**

32. Stress continues to be an issue raised in the staff survey. Stress Awareness Training for Managers has now been completed with 100% compliance. There will be a stress awareness campaign run again later in 2017. This, coupled with work being done on mental health by Essex County and UDC HR will support this training.

**AGGRESSION**

33. There was a higher number in 2016 than in previous years due to a particular issue within one section of the Council. Aside from this, the level remains low. There may still be under reporting of incidents of aggressive behaviour against staff by the public, particularly in relation to Street Services. It is intended to run an awareness campaign later in 2017.

<b>Year</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>No of incidents</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>5</b>



**HEALTH AND SAFETY OBJECTIVES**

34. As agreed these remain unchanged from 2016 and run into 2017 as:

- Healthy staff –ensuring health monitoring and appropriate referrals. Health advice and support for work related illness and injury
- Safety reviewing – looking at our procedures ensuring what we are doing is safe, lawful and best for everyone
- Safety training – delivery of relevant training to the right people at lower cost, in house through accredited trainers
- Site Safety Inspections – Last year we passed a safety audit, where we did well, now using site safety inspections let’s check to see that we are doing what we are say

**Risk Analysis**

35.

Risk	Likelihood	Impact	Mitigating actions
Health and Safety is not effectively managed	1	4	Robust health and safety procedures and initiatives as outlined in this report

- 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 1

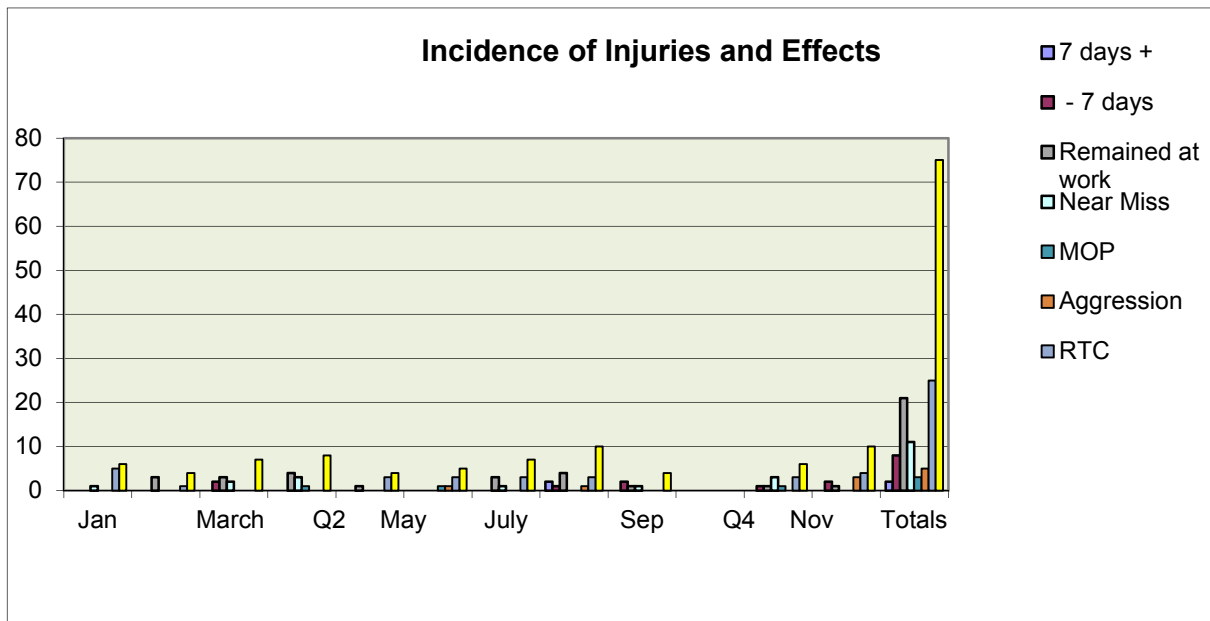
Accident Statistics for 2016 1<sup>st</sup> January 2016 – 31<sup>st</sup> December 2016

Over view month by month

31/12/2016	Uttlesford District Council Accident Book Stats - 2016							END YEAR 16
2016	7 days +	- 7 days	Remained at work	Near Miss	MOP	Aggression	RTC	Total
Jan	0	0	0	1	0	0	5	6
Feb	0	0	3	0	0	0	1	4
March	0	2	3	2	0	0	0	7
April	0	0	4	3	1	0	0	8
May	0	0	1	0	0	0	3	4
June	0	0	0	0	1	1	3	5
July	0	0	3	1	0	0	3	7
Aug	2	1	4	0	0	1	3	10
Sep	0	2	1	1	0	0	0	4
Oct	0	0	0	0	0	0	0	0
Nov	0	1	1	3	1	0	3	6
Dec	0	2	1	0	0	3	4	10
Totals	2	8	21	11	3	5	25	75

MOP = Member of the public

Over view in chart form



## Reports by Service area

Service	7 +	-7	Remained at Work	MoP	Aggression	Near Miss	RTC	Total
Non- Employee	0	0	0	3	0	0	0	3
Environmental Health	0	0	0	0	0	1	0	1
Street Services	1	5	14	0	2	4	21	47
Housing Services	1	1	2	0	3	1	2	10
Corporate Services	0	0	3	0	0	3	1	7
Building and Planning	0	1	0	0	0	0	0	1
Finance, Revs and Benefits	0	0	2	0	0	2	0	4
Licensing	0	0	0	0	0	0	0	0
Community Partnership	0	0	0	0	0	0	0	0
Legal and Enforcement	0	1	0	0	0	0	1	2
<b>Total</b>	<b>2</b>	<b>8</b>	<b>21</b>	<b>3</b>	<b>5</b>	<b>11</b>	<b>25</b>	<b>75</b>

Note: Street Services is always highest

## Causation factors

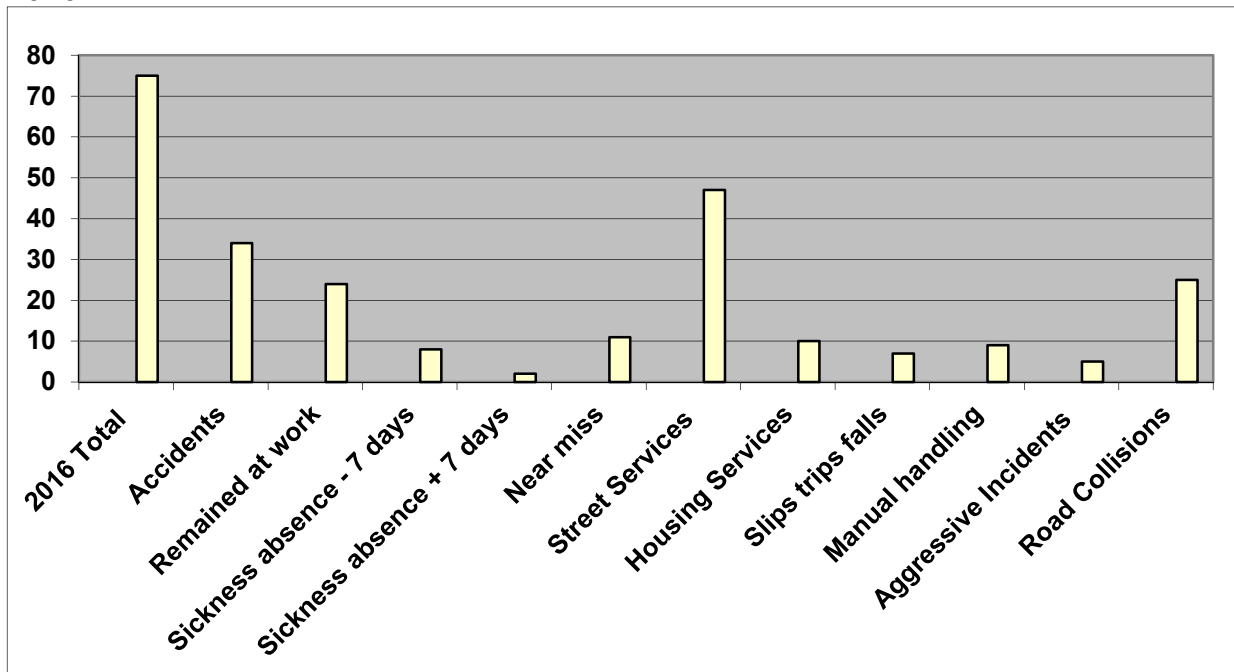
<u>Cause of Accidents</u>		2016												To tal
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
1	Contact with moving machinery	1	1					1						3
2	Slipped, trip on level ground				1	1			2	1			2	7
3	Contact with harmful substance			2				1						3
4	Manual Handling		1	2	3				3					9
5	Hit by falling/moving object													0
6	Hit stationary/fixed object											1		1
7	Fall from height													0
8	Injured by animal								1					1
9	Assaulted by person													0
10	Exposed to fire or heat													0
11	Exposed to explosion													0
12	Trapped by something collapsing													0
13	Hit by vehicle			1				1						1
14	Other				1		1	1		1		1	1	6
<b>Total</b>		<b>1</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>6</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>31</b>
<b>Cumulative</b>		<b>1</b>	<b>3</b>	<b>8</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>18</b>	<b>24</b>	<b>26</b>	<b>26</b>	<b>28</b>	<b>31</b>	

**Appendix 2 – 2011 to 2016**

**Break down**

<b>2016</b>	<b>75</b>
Accidents	34
Remained at work	24
Sickness absence - 7 days	8
Sickness absence + 7 days	2
Near miss	11
Street Services	47
Housing Services	10
Slips trips falls	7
Manual handling	9
Aggressive Incidents	5
Road Collisions	25

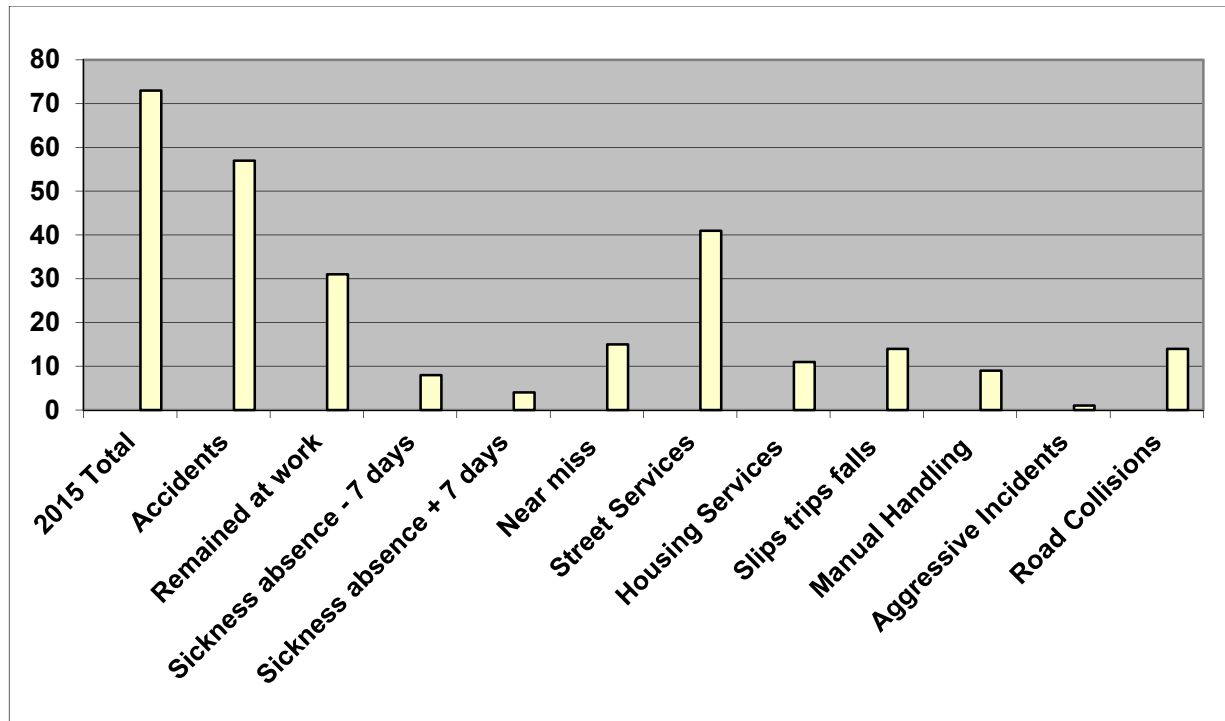
**2016**



**Break down**

<b>2015</b>	<b>73</b>
Accidents	57
Remained at work	31
Sickness absence - 7 days	8
Sickness absence + 7 days	4
Near miss	15
Street Services	41
Housing Services	11
Slips trips falls	14
Manual Handling	9
Aggressive Incidents	1
Road Collisions	14

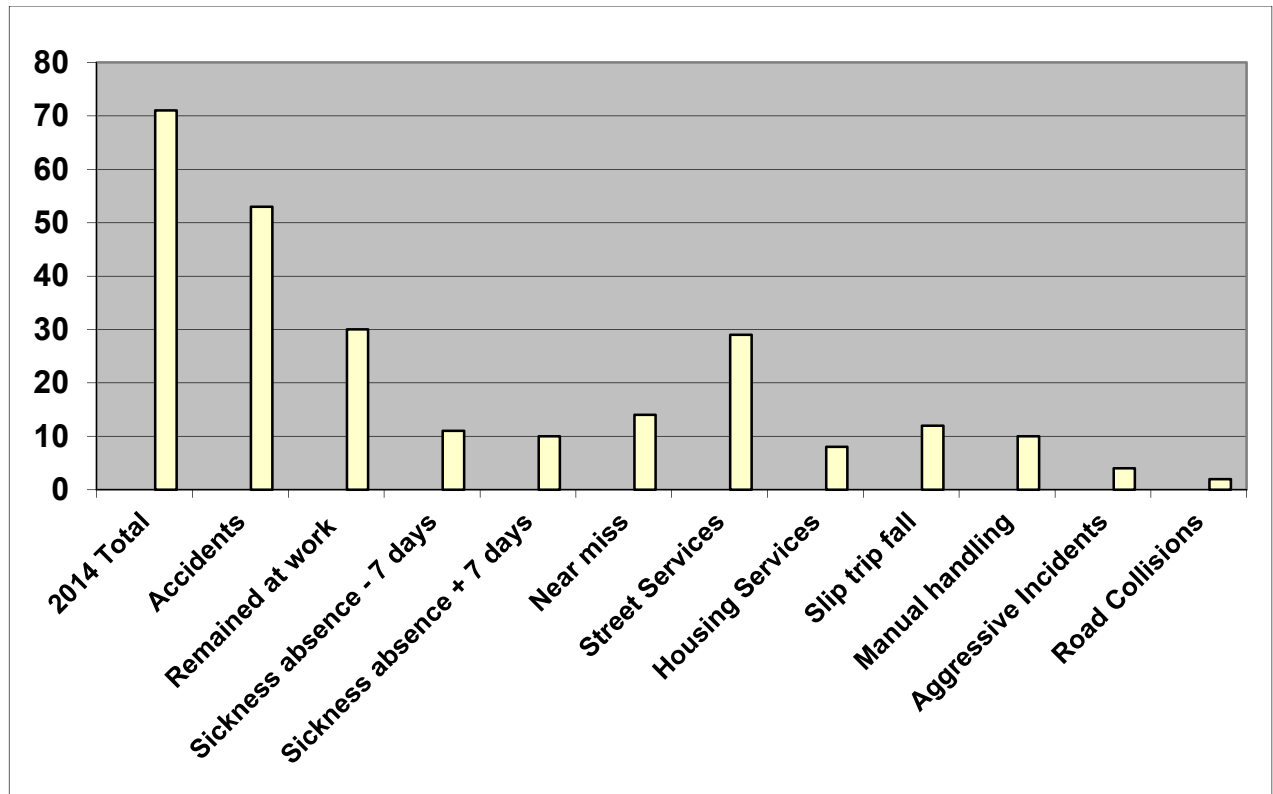
**2015**



**Break down**

<b>2014</b>	<b>71</b>
Accidents	53
Remained at work	30
Sickness absence - 7 days	11
Sickness absence + 7 days	10
Near miss	14
Street Services	29
Housing Services	8
Slip trip fall	12
Manual handling	10
Aggressive Incidents	4
Road Collisions	2

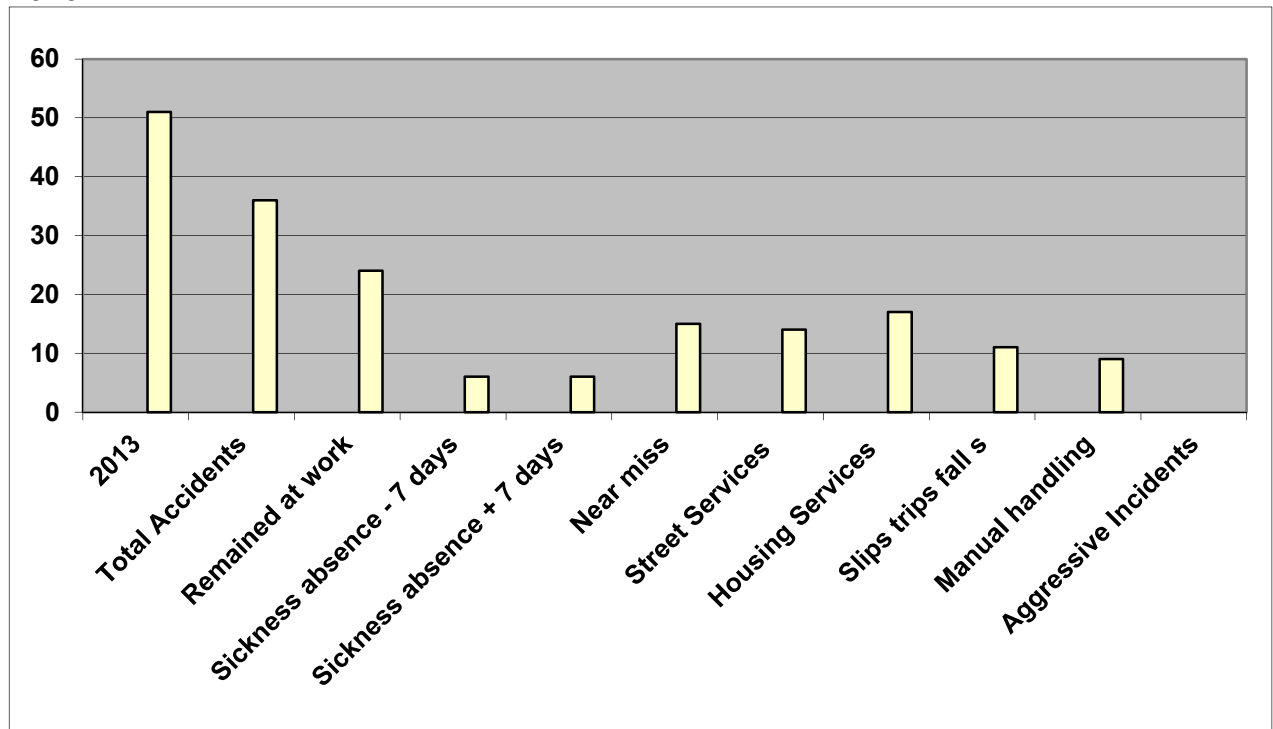
**2014**



**Break down**

<b>2013</b>	<b>51</b>
Accidents	36
Remained at work	24
Sickness absence - 7 days	6
Sickness absence + 7 days	6
Near miss	15
Street Services	14
Housing Services	17
Slips trips fall s	11
Manual handling	9
Aggressive Incidents	0

**2013**



**Note:**

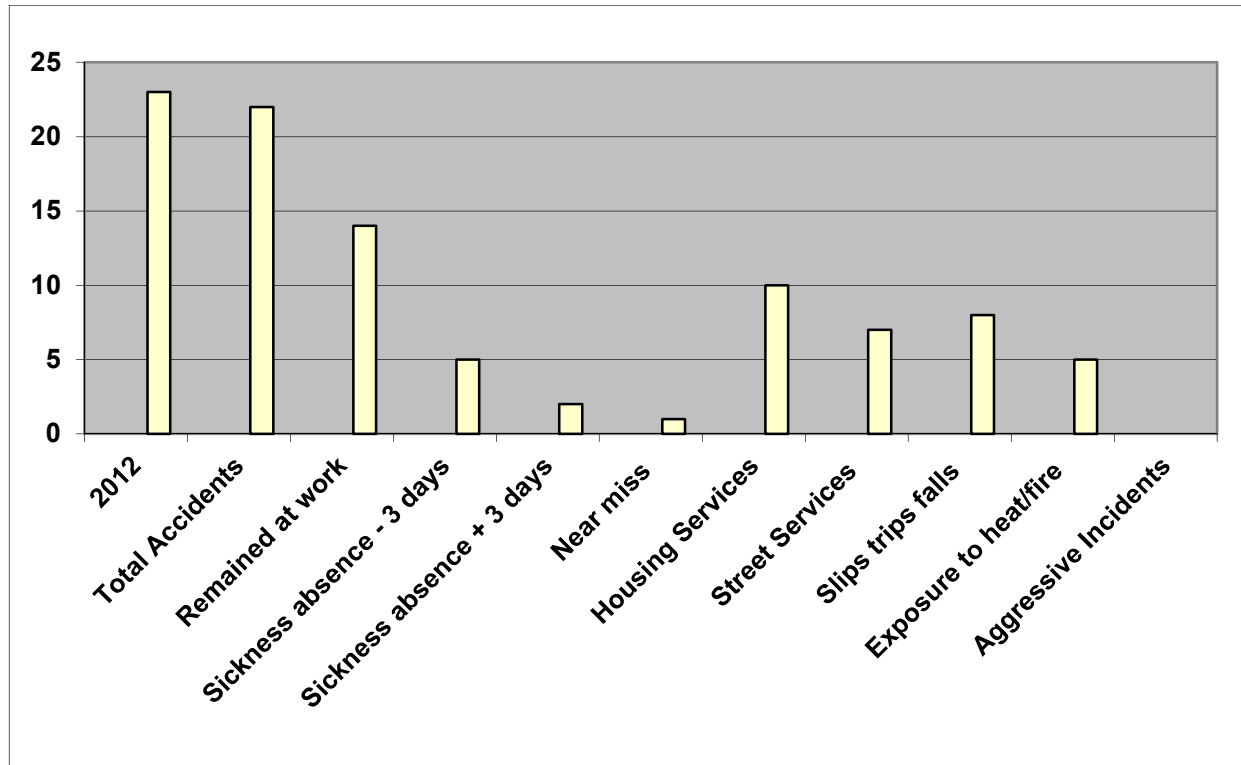
In 2013 RIDDOR reporting rules changed from + 3 days absence to + 7 days



**Break down**

<b>2012</b>	<b>23</b>
Accidents	22
Remained at work	14
Sickness absence - 3 days	5
Sickness absence + 3 days	2
Near miss	1
Housing Services	10
Street Services	7
Slips trips falls	8
Exposure to heat/fire	5
Aggressive Incidents	0

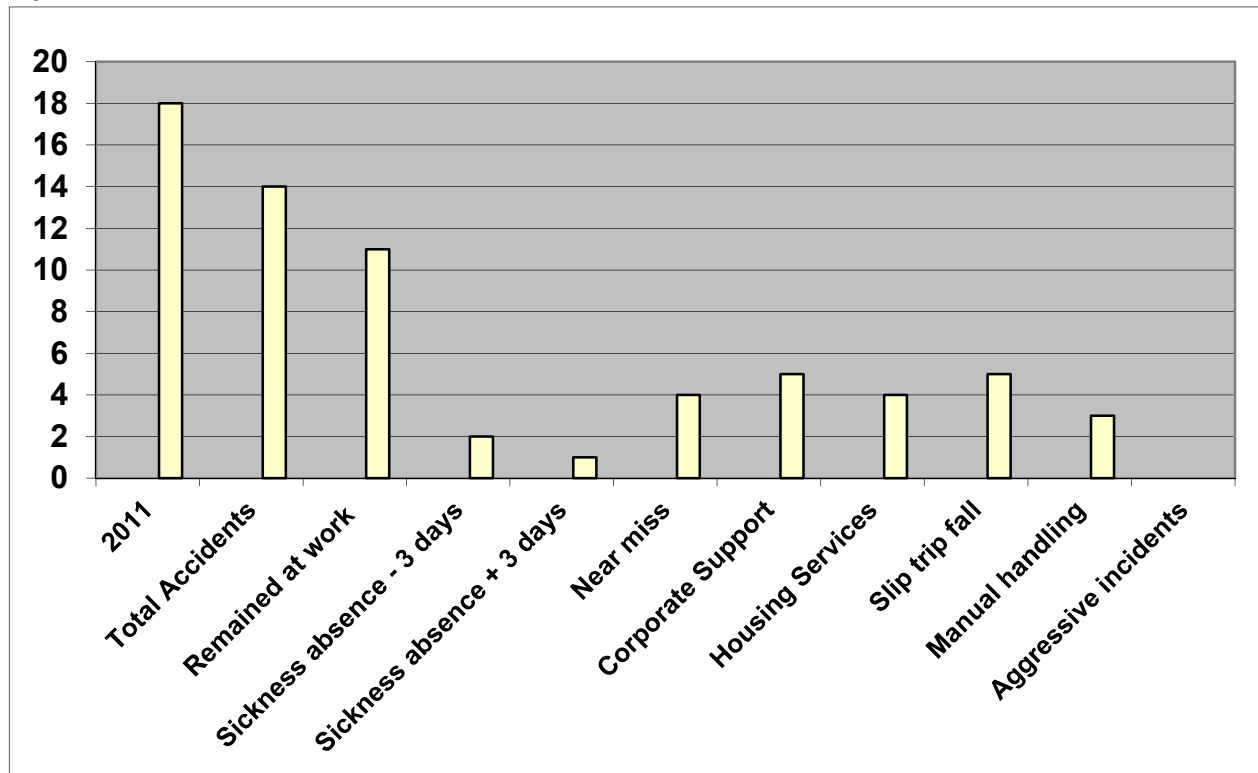
**2012**



**Break down**

<b>2011</b>	<b>18</b>
Accidents	14
Remained at work	11
Sickness absence - 3 days	2
Sickness absence + 3 days	1
Near miss	4
Corporate Support	5
Housing Services	4
Slip trip fall	5
Manual handling	3
Aggressive incidents	0

**2011**

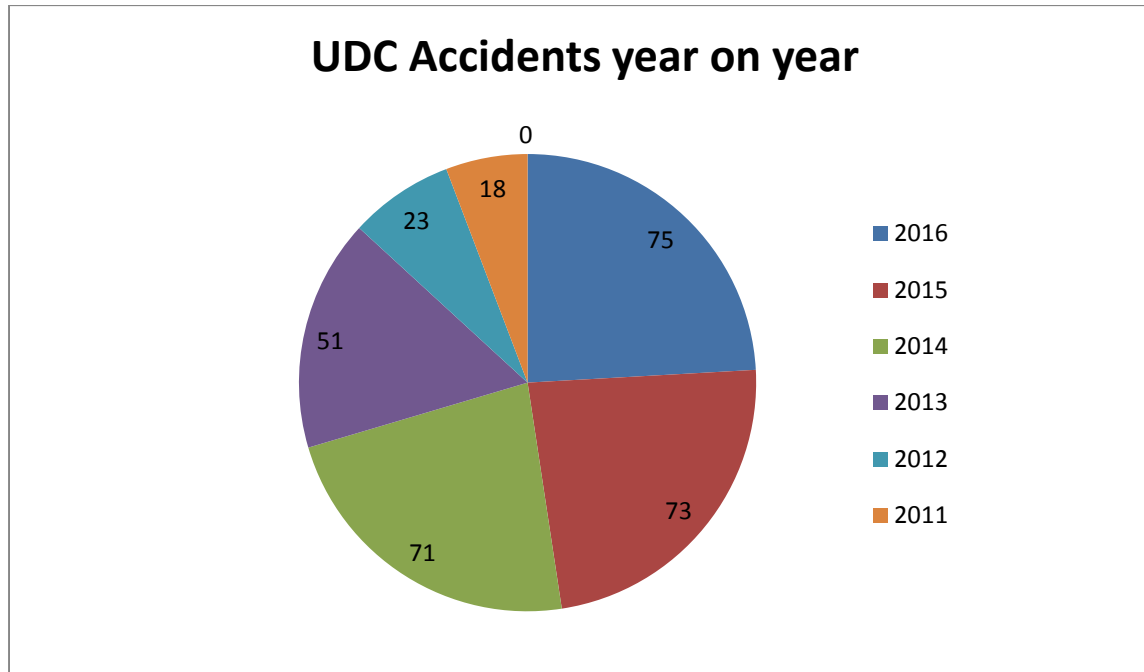


**Note**

Prior to late (December) 2012 there was significant under reporting. 2013 – 2016 shows reporting levels have improved with declines in serious injury accidents and time off work accidents. This provides a more holistic accident book capturing much more.

## UDC 2016 Health and Safety Report

### Year on year total reports in accident UDC book Significant under reporting suspected before 2012/13



### Approximate percentage increase reporting levels all types year by year

2011 – 2012 = 28% increase

2012 – 2013 = 120% increase

2013 – 2014 = 40% increase

2014 – 2015 = 2% increase

2015 – 2016 = 2% increase



**Committee:** Performance and Audit

**Agenda Item**

**Date:** 9 February 2017

**8**

**Title:** Quarter 3 Performance 2016/17

**Author:** Richard Auty, Assistant Director Corporate Services

Item for information

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### Summary

1. This report presents the Q3 results for all quarterly-reported key performance indicators and performance indicators.

### Recommendations

2. None

### Financial Implications

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

### 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 performance indicators
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

## Situation

6. Appendix A presents Quarter 3 performance against the 2016/17 targets agreed at Performance and Audit Committee in May.
7. Performance has improved since the last quarter. There are five fewer red indicators and five more green indicators.
8. For the 16 Key Performance Indicators this quarter, 13 have met their target. Only one indicator (KPI 08 average re-let time) has missed its target by 10 percent or more, although the long term trend for this indicator is still positive.

## Risk Analysis

9.

Risk	Likelihood	Impact	Mitigating actions
That performance indicators will not meet quarterly/ annual targets	2 – The majority of Performance Indicators perform on or above target	3 – In some areas the risk of not meeting targets could impact on areas such as customer satisfaction and statutory adherence to government led requirements	Performance is monitored by CMT and the committee on a quarterly basis.  Inclusion of five quarters of data helps identify trends.

1 = Little or no risk or impact

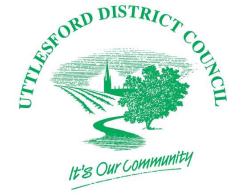
2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

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

# 2016/17 Quarter 3 KPIs and PIs Report

Report Author: Tülay Norton  
Generated on: 27 January 2017































**Key:** \* Cumulatively monitored      **Max** Aim to maximise performance  
# Quarterly targets profiled      **Min** Aim to minimise performance

SHORT TERM TREND (compares current quarter with previous quarter performance)		LONG TERM TREND (compares current quarter with previous four quarters average performance)	
	The value of this PI has improved in the short term		The value of this PI has improved in the long term
	The value of this PI has worsened in the short term		The value of this PI has worsened in the long term
	The value of this PI has not changed in the short term		The value of this PI has not changed in the long term



























## Key Performance Indicators (KPIs)

### Directorate: CORPORATE SERVICES

PI Code & Short Name	Q3 2015/16	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Short Term Trend	Long Term Trend	Latest Note
<b>KPI 01</b> Percentage of supplier invoices paid within 30 days of receipt by the Council (Max)	96.67%	98.89%	95.00%	87.22%	<b>98.89%</b>			<b>Q3 2016/17 Numerator:</b> 178 <b>Denominator:</b> 180. Improvement in Q3, exceeding target and returning to Q4 2015/16 performance.
	96.00%	96.00%	97.00%	97.00%	97.00%			
<b>KPI 03</b> Percentage of Non-domestic Rates Collected (Max) *	80.02%	97.34%	29.15%	56.39%	<b>87.34%</b>			<b>Q3 2016/17 Numerator :</b> 38,339,987.10 <b>Denominator:</b> 43,895,235.93 = 87.34%. Collection rate has hit target at the end of this QTR 3 this should be treated with caution as this has resulted from an advance January instalment payment by the largest rate payer in the district. Collection overall is still down due to the second largest ratepayer defaulting on the current year business rates.
	85.00%	98.00%	30.18%	58.50%	86.98%			




















PI Code & Short Name	Q3 2015/16	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Short Term Trend	Long Term Trend	Latest Note
<b>KPI 04</b> Accuracy of processing - HB/CTB claims (Max)	99.26%	99.77%	99.55%	100.00%	<b>98.27%</b>			<b>Q3 2016/17</b> 347 claims checked. 6 financial errors identified giving an accuracy rate of 98.27% for Q3. Reduction in accuracy since last quarter is reflective of recent staff turnover and vacant posts being covered by agency staff. The recruitment and training of new staff is in process and extra support is being given from current team members to assist in the reduction of errors.
								
	98.00%	98.00%	98.00%	98.00%	98.00%			
<b>KPI 05</b> Percentage of Council Tax collected (Max) *	86.94%	99.17%	30.19%	58.39%	<b>86.82%</b>			<b>Q3 2016/17 Numerator:</b> 47,631,304.59 <b>Denominator:</b> 54,859,727.71= 86.82% collection rate. Collection rate for Council Tax remains just below target however is still on track to meet the PI target by the end of the financial year and therefore no intervention is currently necessary. Uttlesford has the highest collection rate in Essex for the end of this quarter; due to a right first time policy and a robust recovery schedule. Customers are treated as individuals at each stage, and the appropriate action taken dependant on the circumstances.
								
	85.00%	98.00%	30.18%	58.50%	86.98%			
<b>KPI 06 (a)</b> Time taken to process Housing Benefit/Council Tax Benefit new claims (Days) (Min)	24.5	23.8	23.4	19.9	<b>18.4</b>			<b>Q3 2016/17</b> 143 new claims to Housing Benefit (HB) were processed taking a total of 2,189 days. There were also 215 new claims to Local Council Tax Support (LCTS) taking 4,408 days. This is a total of 358 new claims taking 6,597days; an average of 18.4 days.
								
	24.0	24.0	24.0	24.0	24.0			
<b>KPI 06 (b)</b> Time taken to process Housing Benefit/Council Tax Benefit change events (Min)	8.2	5.6	5.9	5.6	<b>5.0</b>			<b>Q3 2016/17</b> 2,400 changes in circumstance to Housing Benefit (HB) were processed taking a total of 13,117 days. There were also 2,614 changes in circumstance to Local Council Tax Support (LCTS) taking 12,161 days. This is a total of 5,014 changes taking 25,278 days; an average of 5 days.
								
	8.0	8.0	9.0	9.0	9.0			



PI Code & Short Name	Q3 2015/16	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Short Term Trend	Long Term Trend	Latest Note
<b>KPI 07 (a)</b> Average number of days lost per employee through short-term sickness absence (Min) *	3.07	4.24	1.41	2.78	<b>4.77</b>			<b>Q3 2016/17 Numerator:</b> 697.5 <b>Denominator:</b> 349 = 2 days lost due to sickness for this quarter. <b>Cumulative Numerator:</b> 1,678.5 <b>Denominator:</b> 352 = 4.77 days per member of staff for the year to date.
								
	5.25	7.00	1.75	3.50	5.25			
<b>KPI 07 (b)</b> Average number of days lost per employee through long-term sickness absence (Min)	29.00	35.50	46.80	37.80	<b>35.94</b>			<b>Q3 2016/17 Numerator:</b> 287.5 <b>Denominator:</b> 8 = average of 35.94 days off work for the eight long term sick cases this quarter. Four still off under a fit note but hopefully returning in February. Two have now returned and back at work. Two have now left our employment.
								
	45.00	45.00	45.00	45.00	45.00			
<b>KPI 16</b> Rent collected as percentage of rent owed (including arrears b/f) (Max) *	95.64%	97.29%	90.56%	95.50%	<b>96.78%</b>			<b>Q3 2016/17 Numerator:</b> £3,802,362.06 <b>Denominator:</b> £4,176,461.60 (91.04%) <b>Cumulative Numerator:</b> £11,450,231.40 <b>Denominator:</b> £11,830,654.53 = 96.78%. This PI has exceeded the target due to the rigorous approach to rent collection and regular checking by the Arrears Officer that tenant in arrears are keeping to agreements made.
								
	94.55%	96.50%	89.00%	94.05%	95.05%			
<b>KPI 17</b> Local Council Tax Support Collection Rate (Max)	New KPI for 2016/17		23.73%	49.38%	<b>75.65%</b>			<b>Q3 2016/17 Numerator:</b> £502,917.22 (Total net liability) <b>Denominator:</b> £664,776.41 (Net receipts). Collection rate is staying on target due to early intervention procedures; this enables customers to be supported where there are genuine financial difficulties and sign posted to other support agencies and DWP Benefits where appropriate.
								
			21.25%	42.50%	63.75%			















**Directorate: PUBLIC SERVICES**

PI Code & Short Name	Q3 2015/16	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Short Term Trend	Long Term Trend	Latest Note
<b>KPI 08</b> Average re-let time in days (General Needs only)	16	27	27.5	22	<b>22</b>			<b>Q3 2016/17</b> Outturn is below target. This was due to two properties that required extra works both internally and externally. Without these two void properties we performance would have been better than target.
	12	12	20	20	20			
<b>KPI 11</b> Processing of planning applications: Major applications (within 13 weeks or including any agreed extension of time) (Max)	82.35%	81.82%	70.00%	44.44%	<b>64.29%</b>			<b>Q3 2016/17 Numerator:</b> 9 <b>Denominator:</b> 14 = 64.29%. Q2 performance dropped due to the clearing of a few significant difficult majors, and their disproportionate impact on the quarterly figure. Q3 performance was on target, as was the annual cumulative target. The long term trend is down because we overachieved in Q3 & Q4 (2015/6). There are still some very significant majors to come in Q4 and throughout 2017/8 (due to pause in local plan) including the airport, Woodside Way etc. This is being managed through the Planning Performance Agreement (PPA). However resources may need to be reviewed prior to applying for PPA funding. <b>Cumulative:</b> 61.29%.
	60.00%	60.00%	60.00%	60.00%	60.00%			
<b>KPI 12</b> Processing of planning applications: Minor applications (within 8 weeks or including any agreed extension of time) (Max)	85.86%	90.43%	80.00%	78.49%	<b>72.38%</b>			<b>Q3 2016/17 Numerator:</b> 76 <b>Denominator:</b> 105 = 72.38%. Performance has dropped for this quarter and target is not achievable with current resourcing. Smarter working of processes should assist in improving situation (including more realistic operations of pre-application process), but resources have been impacted by the high volumes of minor applications and residents wanting access to case officers to talk through issues and objections which negatively impacts the timely assessment of proposals. <b>Cumulative:</b> 76.39%
	80.00%	80.00%	80.00%	80.00%	80.00%			








PI Code & Short Name	Q3 2015/16	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Short Term Trend	Long Term Trend	Latest Note
<b>KPI 13</b> Processing of planning applications: Other applications (within 8 weeks or including any agreed extension of time) (Max)	92.13%	87.44%	89.26%	87.21%	<b>88.42%</b>			<b>Q3 2016/17 Numerator:</b> 229 <b>Denominator:</b> 259 = 88.42%. Performance on target. However this is not sustainable with current resourcing. Smarter working of processes should assist in improving situation (including more realistic operations of pre-application process), but resources have been impacted by the high volumes of minor applications and residents wanting access to case officers to talk through issues and objections which negatively impacts the timely assessment of proposals. <b>Cumulative:</b> 88.36%. Target achieved.
								
	82.00%	82.00%	82.00%	82.00%	82.00%			
<b>KPI 14</b> Percentage of household waste sent for reuse, recycling and composting (LAA) (Max)	50.91%	48.48%	51.91%	52.39%	<b>53.33%</b>			<b>Q3 2016/17 ESTIMATE Numerator:</b> 3,957.7 tonnes (recycled and composted) <b>Denominator:</b> 7,420.96 tonnes (total domestic waste arising). Final value will only be available in March when the complete information will be available from all of our recycling customers.
								
	53.04%	51.63%	51.00%	55.00%	51.00%			
<b>KPI 15 (a)</b> Number of return visits to collect bins that have been missed on the first visit (Min)	New KPI for 2016/17		1,616	1,123	<b>901</b>			<b>Q3 2016/17</b> 901 missed bins out of 929,994 total number of collections (This is number of properties -currently 35,769- multiplied by 2 to account for the number of collections made from each property, multiplied by 13 weeks in the quarter). Good quarter and within target, whilst maintaining a steady decrease in the number of missed bins. We are continuing to report actuals instead of per 100,000 properties. We have not received any feedback since the Q2 report, which indicates we are reporting the data correctly. Management are looking at increasing better use of the bartec system with staff, to improve upon data collection and reporting in quarter 4. This will include training and monitoring the use of bartec with drivers and staff. <b>Collection rate for Q3 2016/17 is 99.90%.</b>
								
			936	936	936			

## Performance Indicators (PIs)

### Directorate: CHIEF EXECUTIVE

PI Code & Short Name	Q3 2015/16	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Short Term Trend	Long Term Trend	Latest Note
PI 06 Percentage of standard searches carried out in 10 working days (Max)	100%	100%	100%	99.6%	100%			Q3 2016/17 Numerator: 299 Denominator: 299. Good performance from team, 100% achieved, average turn round time 4 working days.
								
	100%	100%	100%	100%	100%			
PI 21 Percentage of minutes from meetings made available to the public within 10 working days (Max)	85%	96%	85%	84%	90%			Q3 2016/17 Numerator: 18 Denominator: 20 = 90%. Since October 2016, the department has been operating with one vacancy which has had an impact on time taken to produce minutes within the target date. The number of meetings for which minutes were prepared in the period was 20, and the number of minutes produced within the target date was 18.
								
	95%	95%	95%	95%	95%			





























### Directorate: CORPORATE SERVICES




















PI Code & Short Name	Q3 2015/16	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Short Term Trend	Long Term Trend	Latest Note
PI 02 Average time (Days) to pay supplier invoices (Min)	12.4	13.0	13.3	15.7	12.2			Q3 2016/17 Numerator: 2,187 Denominator: 180. Performance has improved in this quarter, from 15.7 payment days to 12.2. Statistics reflect a greater number of invoices transacted through the purchasing ordering system (E-Buy), which reduces time in processing invoices. It is anticipated that this will continue and the invoice processing time will be improved further. Invoices sampled equates to 8% of total invoices processed.
								
	12.0	12.0	11.0	11.0	11.0			

PI Code & Short Name	Q3 2015/16	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Short Term Trend	Long Term Trend	Latest Note
<b>PI 03</b> Percentage of sundry debt income overdue (debts over 90 days old not subject to a payment agreement) (Min)	.0%	2.1%	3.4%	2.6%	<b>1.8%</b>			<b>Q3 2016/17</b> As at 3 January 2017, total outstanding sundry debt was £417,013.53 of which £7,309.52 was over 90 days old and not subject to a payment agreement. 1.8%.
	4.5%	4.5%	4.0%	4.0%	4.0%			
<b>PI 20</b> Percentage of IT help Desk calls resolved within target (Max)	97.84%	97.46%	97.93%	99.32%	<b>99.20%</b>			<b>Q3 2016/17</b> 1,508 calls raised 1,496 resolved on time 99.20%
	93.00%	93.00%	95.00%	95.00%	95.00%			
<b>PI 22</b> Museum users: Total visitors to the museum building and on-site events (Max) #	2,951	3,793	3,369	2,979	<b>2,665</b>			<b>Q3 2016/17</b> Visitors to Museum just about on target (1% below), Meeting visitor targets remains challenging while there is no Learning Officer in post to encourage school visits and develop outreach and activity programmes. Strong marketing and performance of October half-term activities have helped figures this quarter. <b>Cumulative:</b> 9,048.
	3,100	3,500	3,200	4,000	2,700			

### Directorate: PUBLIC SERVICES

PI Code & Short Name	Q3 2015/16	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Short Term Trend	Long Term Trend	Latest Note
<b>PI 16</b> Number of households living in temporary accommodation (CI 19 & NI 156) (Min)	17	22	21	13	<b>13</b>			<b>Q3 2016/17</b> Council owned = 8. Emergency B&B / shared accommodation placements = 5 Figures within target.
	17	17	14	14	14			

PI Code & Short Name	Q3 2015/16	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Short Term Trend	Long Term Trend	Latest Note
<b>PI 24a</b> Planning appeals allowed for major applications (Min)	.0%	.0%	66.7%	.0%	<b>66.7%</b>			<b>Q3 2016/17 Numerator: 2 Denominator: 3 = 66.7%.</b> This PI series will be reviewed for 2017/18 monitoring. The appeal target was cut into three to reflect CLG's intervention requirements for majors (actual) and minors (potential) and this is not fit for purpose. The target is not just based on an appeal record; it relies on a % of those granted through an allowed appeal. <b>Cumulative: 50%.</b>
								
	30.0%	30.0%	30.0%	30.0%	30.0%			
<b>PI 24b</b> Planning appeals allowed for minor applications (Min)	.0%	12.5%	23.1%	50.0%	<b>11.1%</b>			<b>Q3 2016/17 Numerator: 1 Denominator: 9 = 11.11%.</b> This PI series will be reviewed for 2017/18 monitoring. The appeal target was cut into three to reflect CLG's intervention requirements for majors (actual) and minors (potential) and this is not fit for purpose. The target is not just based on an appeal record; it relies on a % of those granted through an allowed appeal. <b>Cumulative: 33.33%.</b>
								
	45.0%	45.0%	45.0%	45.0%	45.0%			
<b>PI 24c</b> Planning appeals allowed for other applications (Min)	25.0%	16.7%	50.0%	50.0%	<b>25%</b>			<b>Q3 2016/17 Numerator: 1 Denominator: 4 = 25%.</b> This PI series will be reviewed for 2017/18 monitoring. The appeal target was cut into three to reflect CLG's intervention requirements for majors (actual) and minors (potential) and this is not fit for purpose. The target is not just based on an appeal record; it relies on a % of those granted through an allowed appeal. <b>Cumulative: 33.3%.</b>
								
	45.0%	45.0%	45.0%	45.0%	45.0%			
<b>PI 24d</b> Appeals allowed for enforcement notices (Min)	.0%	66.7%	.0%	.0%	<b>100.0%</b>			<b>Q3 2016/17 Numerator: 2 Denominator: 2 = 100%.</b> An Enforcement Appeal record involves more than just an allowed or not decision. These cases can be complex and improvements can be made in the way that they are recorded. Relatively small numbers means that recording on this basis does not give a true account. <b>Cumulative: 100%.</b>
								
	30.0%	30.0%	30.0%	30.0%	30.0%			

PI Code & Short Name	Q3 2015/16	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Short Term Trend	Long Term Trend	Latest Note
<b>PI 30</b> Percentage planning applications validated within 5 days (Max)	99%	99%	98%	99%	<b>100%</b>			<b>Q3 2016/17 Numerator:</b> 402 <b>Denominator:</b> 402 = 100%. Performance levels have been maintained even with staffing issues. It has however required the team to work additional hours to meet current targets. <b>Cumulative:</b> 99.04%
								
	90%	90%	90%	90%	90%			
<b>PI 40</b> Number of subscribers to garden waste collection service (Max)	5,110	5,041	5,700	6,100	<b>6,178</b>			<b>Q3 2016/17</b> Excellent uptake on the kerb side garden waste service. This figure is well above target and expectations for this time of year, proving this is a popular value for money service.
								
	5,360	5,400	5,425	5,450	5,475			
<b>PI 41</b> Percentage of routine food hygiene premises inspections completed within the quarter (Max)	New PI for 2016/17		88%	100%	<b>99%</b>			<b>Q3 2016/17</b> Performance monitoring meetings remain place to ensure that targets are met.
								
			95%	95%	95%			





**Committee:** Performance and Audit

**Agenda Item**

**Date:** 9 February 2017

**9**

**Title:** Quarter 3 Corporate Risk Register 2016/17

**Author:** Richard Auty, Assistant Director Corporate Services

Item for information

### Summary

1. This report presents the Corporate Risk Register as at the end of quarter 3 2016/17. The report also provides an overview of changes to the council's risk management processes due to be implemented at the beginning of 2017/18.

### Recommendations

2. None

### Financial Implications

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

### Background Papers

4. None

### Impact

- 5.

Communication/Consultation	The Risk Register is discussed and updated at least quarterly.
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

**Situation**

- 6. The council’s Corporate Risk Register at the end of Quarter 3 is attached as Appendix A.
- 7. It continues the approach of identifying the key risks associated with delivering the council’s main strategic objectives, taking into account external influences which could have an impact on its ability to deliver on those objectives.

**Risk Analysis**

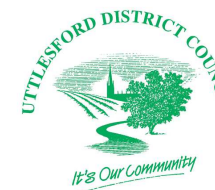
8.

Risk	Likelihood	Impact	Mitigating actions
That the council does not effectively monitor the risks it faces in delivering its corporate aims and objectives	1 – The register was created, and regularly monitored, by the Corporate Management Team	3 – If mitigating actions are not identified and acted upon, then there could be serious consequences for the delivery of services	Each corporate action and associated risk is owned by a member of the Corporate Management Team. Colleagues provide challenge and discussion regularly to ensure steps are being taken to reduce the likelihood and/or impact of those risks.






- 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.







# Corporate & Strategic Risk Register 2016-17 - Quarter 3






Report Author: Tülay Norton  
Generated on: 27 January 2017








Risk Code & Title	Risk Description	Original Risk Impact	Original Risk Likelihood	Current Impact	Current Likelihood	Current Risk Score	Current Risk Traffic Light Icon	Target Risk Impact	Target Risk Likelihood	Latest Note	Mitigating Actions	Managed By
<b>CORPORATE RISKS</b>												
<b>16-CR 01</b> Insufficient progress against savings	The council does not make sufficient progress against savings targets identified in the MTFS to achieve the necessary savings.	2	1	2	1	2		3	1	As part of the four year funding agreement with central Government the council was required to prepare an efficiencies plan. The figures from the pan are included in the new MTFS.	A formal action plan to achieve the efficiency plan savings targets will be prepared by the Corporate Management Team.	Adrian Webb
<b>16-CR 02</b> External factors impact negatively on Council's finances	External factors, such as the reforms to local government finance, negatively impact on Council's finances	2	3	2	3	6		2	3	The 2017/18 budget process reflects the current funding position which is a surplus in 2017/18 moving to a £1m deficit by 2021/22.	Work with local and government to understand and implement post general election changes to core external funding such as New Homes Bonus and Business Rates Retention.	Adrian Webb
<b>16-CR 03</b> Decisions made by the LSP do not inform Council Policy	The Council staffs and hosts the LSP but decisions made by the LSP do not inform Council Policy	3	3	3	2	6		2	2	Health and Wellbeing working group of the LSP has become more focused with strong support from Health Improvement team.	Review the effectiveness and value for money of our engagement with partners, the voluntary sector and the community. Continue to review the working of the LSP to ensure it meets the needs of the council, its partners and the community rather than just itself. Ensure that LSP matters are championed by Cabinet members so that the Council determines the LSP agenda and takes responsibility for outcomes.	Roger Harborough




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<b>16-CR 04</b> Local Plan	Failure to meet objectively assessed housing need and identify suitable deliverable sites	3	2	3	2	6		3	2	Additional technical work in hand to confirm OAHN and identification of most appropriate sites.	Complete SHMA, carry out Duty to Cooperate process with authorities across the housing market area, neighbouring councils and strategic bodies and issue new call for sites. New member working group established to steer process.	Roger Harborough
<b>16-CR 05</b> External contracts	Contracts with third parties do not benefit the Council & Community financially	3	2	3	2	6		3	1	Contract with Viridor operating satisfactorily with contamination being the factor that is being monitored carefully. Improvement in Roalco performance is being maintained.	Robust evaluation of contract bids. Once new contracts in place, proactive monitoring of contracts to ensure appropriate implementation.	Roger Harborough
<b>16-CR 06</b> The Council does not demonstrate how consultation responses have been taken into account	The Council does not demonstrate how consultation responses have been taken into account when formulating policy	3	3	3	2	6		3	1	Issue was not raised during the Corporate Peer Challenge that took place in Q3 and seems to have receded as an issue. Officers have been asked to include a preferred options consultation in the local plan preparation process.	A project team of Senior Managers has worked on this and will arrange a Members' workshop when the new Council is elected, with a view to rationalising consultation exercises to gain the maximum benefit.	Roger Harborough
<b>16-CR 07</b> Failure to embed sound Equality & Diversity, H&S & Corporate Governance principles	Failure to embed sound equality & diversity, health & safety and corporate governance principles throughout the authority, which would make it difficult to then promote these ideals to the community	3	1	3	1	3		3	1	New Equalities scheme adopted in January 2017 and target set of Achieving status by April 2018.	The Health & Safety officer previously shared with Harlow DC is now a full-time UDC employee. Regular training and updates are given to all relevant staff and the Council continues its partnership arrangements with South Cambs DC regarding equality and diversity.	Roger Harborough
<b>16-CR 08</b> Little money available for Highways improvements	Highways Panel unable to deliver expectations owing to ECC financial constraints	2	3	2	3	6		2	3	Funding agreed for part of the 2017-18 programme. There was still some scope to review the programme and make adjustments.	Targeted improvements in district due to local member involvement in Highways Panel/Locality Board	Roger Harborough

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<b>16-CR 09</b> Inability to implement the economic strategy	Inability to implement the economic strategy which could lead to a failure to support existing businesses and attract new investment	3	1	3	1	3		3	1	Business rates incentive scheme still proving effective.	Implement the economic strategy in conjunction with local business representatives, West Essex partners and allocate budget to support this work	Roger Harborough
<b>16-CR 10</b> Adverse impact from reform of council tax benefits	The reform of council tax benefits will adversely impact some people currently in receipt of benefits	2	2	2	2	4		2	2	LCTS scheme for 2017/18 has now concluded the consultation phase and Members will decide the scheme at Council on 8 December 2016.	Resource and implement the Council's annual Local Council Tax Support Policy.	Adrian Webb
<b>16-CR 11</b> Partner organisations unable to provide sufficient resources	Partner organisations unable to provide sufficient resources in times of austerity to implement new strategies	3	4	3	3	9		3	2	Issue endorsed in Corporate Peer Challenge assessment.	New arrangements with partner authorities will need to be increasingly challenged and focused on prioritised needs and value for money	Roger Harborough
<b>16-CR 12</b> Range of services provided by the Council is too broad	Range of services provided by the Council is too broad to allow necessary focus	4	4	4	4	16		4	2	Issue endorsed in Corporate Peer Challenge assessment.	As resources diminish the Council will need to regularly review its' priorities and its' form and function as a provider of commissioner services	Roger Harborough
<b>16-CR 13</b> Shared service delivery model	Partner organisations unable or unwilling to sign-up to shared service delivery model	2	3	2	2	4		2	2	Options will be actively investigated as opportunities arise.	Continue to work with those organisations who already share UDC assets i.e. ECC. Parish Councils and voluntary sector	Adrian Webb
<b>16-CR 14</b> Neighbourhood plans	Local communities do not have adequate resources to develop neighbourhood plans	2	3	2	2	4		2	2	GDP made.	Strategic Initiative Fund allocation to fund resources to support communities in preparing plans and getting them adopted	Roger Harborough

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<b>16-CR 15</b> Eco programme deadlines cannot be met and grant funding becomes unavailable	Changes to government eco programme mean deadlines cannot be met and grant funding becomes unavailable	3	3	3	2	6		3	2	Issue has become the lack of headroom in the HRA to match fund the available grant opportunities.	Pursue external funding opportunities for external wall insulation programme; smart procurement	Roger Harborough
<b>16-CR 16</b> Potential breaches of planning control	Council is not made aware of potential breaches of planning control	2	2	2	1	2		2	1	Cabinet has agreed an action plan for enforcement including breaches of planning control.	Parish councils act as an important communications channel for reporting potential breaches, and this function is encouraged	Roger Harborough (Sarah Marshall)
<b>16-CR 17</b> Improving heritage assets	Aspirations outstrip available resources to improve heritage assets	2	3	2	3	6		2	3	Cabinet has given authority to start CPO of empty Grade 2 listed cottage.	Pursue external funding opportunities	Roger Harborough
<b>16-CR 18</b> Partners' agendas (for economic prosperity) are not aligned	All partners' agendas (for economic prosperity) are not aligned and what is delivered for the wider area is not in the best interest of the Uttlesford district	2	2	3	2	6		2	2	LSCC engagement continues. Seeking to develop greater cohesion about approach to "core" element of corridor.	Engage strongly in LSCC, West Essex Alliance (and through West Essex Alliance seek to influence the Greater Essex Business Board and SELEP), GCGP LEP and Essex Integrated Growth Forum to promote Uttlesford's interests.	Roger Harborough
<b>16-CR 19</b> Aspirations of airport owners conflict with the council's views	Aspirations of airport owners conflict with the council's views on appropriate development and with community interests	3	3	3	2	6		3	2	Planning application submitted for arrivals hall. Close liaison with MAG about business development opportunities northside.	Seek to influence the airports policy of the new Government informed by the Davies Commission final report recommendations. Work with the airport owners to agree environmental impact mitigation measures, particularly the surface access strategy.	Roger Harborough

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<b>STRATEGIC RISKS</b>												
<b>16-SR 01</b> Disruption of Council business	Disruption of council business caused by: loss of building, widespread staff absence, extreme weather conditions	3	2	3	3	9		3	2	An overarching strategy will be put together by March. There is an overall deadline target currently of September to put into place the corporate BC plans.	Ensure that emergency plans are in place to provide frontline services. Maintain regular engagement in emergency planning activities, close liaison with county council and regular communication with residents.  Ensure relevant HR policies are in place and understood	Tony Cobden (Lisa Lipscombe)
<b>16-SR 02</b> Major emergency at the airport	Major emergency at the airport e.g. due to plane crash, terrorism etc.	2	1	2	1	2		2	1	The EPO represents both the district council and the upper tier county council at the MAG emergency planning meetings. Plans are up to date and communications good between both parties.	Ensure that emergency plans are in place and that there is regular liaison with airport operator and engagement in emergency planning activities	Tony Cobden (Lisa Lipscombe)
<b>16-SR 03</b> Refugee crisis	Public expectation that the council will be sole provider of accommodation for refugees. Risk of insufficient accommodation or displacement of people on housing waiting list.	2	2	2	2	4		1	2	One refugee family settled in Uttlesford in council housing stock with multi agency support. No further arrivals expected until Q4 in 2017.	Council will work with other agencies to coordinate community response.	Roger Harborough
<b>16-SR 04 (a)</b> UDC fails to sign up to devolution	The Council fails to sign up to the devolution deal, becoming overlooked by the Combined Authority and resulting in loss of influence and investment opportunities for the District's social, environmental and amenity infrastructure	3	3	3	1	3		1	1	Prospects for Essex Combined Authority have diminished because of Government expectation of a directly elected mayor	The Council joins the Combined Authority.	Roger Harborough

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<b>16-SR 04 (b)</b> Loss of sovereignty and control	In joining the Combined Authority the Council over time loses sovereignty and control of its strategic growth policies and becomes an agency of the Combined Authority	3	2	3	1	3		1	1	Prospects for Essex Combined Authority have diminished because of Government expectation of a directly elected mayor	Ensure that the Council is fully aware of the consequences before committing to the Combined Authority. Accept that in a world of diminishing resources some change in local governance is both desirable and inevitable	Roger Harborough

Risk Status	
	Alert
	Warning
	OK