



AYLESBURY VALE DISTRICT COUNCIL

Democratic Services

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Text Relay Prefix your telephone number with 18001

27 September 2018

AUDIT COMMITTEE

A meeting of the **Audit Committee** will be held at **6.30 pm** on **Monday 8 October 2018** in **The Olympic Room - Aylesbury Vale District Council**, when your attendance is requested.

Contact Officer for meeting arrangements: Craig Saunders; csaunders@aylesburyvaledc.gov.uk;

Membership: Councillors: R Newcombe (Chairman), A Waite (Vice-Chairman), C Adams, M Collins, N Glover, A Harrison, S Raven, R Stuchbury, D Town and H Mordue (ex-Officio)

AGENDA

1. APOLOGIES

2. TEMPORARY CHANGES TO MEMBERSHIP

Any changes will be reported at the meeting.

3. MINUTES (Pages 3 - 10)

To approve as a correct record the Minutes of the meeting held on 23 July, 2018, copy attached as an appendix.

4. DECLARATION OF INTEREST

Members to declare any interests.

5. EXTERNAL AUDIT - ANNUAL AUDIT LETTER (Pages 11 - 40)

To consider the attached report.

Contact Officer: Nuala Donnelly (01296) 585164

6. CORPORATE RISK REGISTER (Pages 41 - 62)

To consider the attached report, including the Planning Performance Report.

Contact Officer: Kate Mulhearn (01296) 585724

7. INTERNAL AUDIT PROGRESS REPORT (Pages 63 - 104)

To consider the attached report.

Contact Officer: Kate Mulhearn (01296) 585724

8. UPDATE ON AYLESBURY VALE BROADBAND REVIEW (Pages 105 - 108)

To consider the attached report.

Contact Officer: Kate Mulhearn (01296) 585724

9. WORK PROGRAMME (Pages 109 - 112)

To consider the future work programme, as well as the Recommendations Tracker.

Contact Officer: Kate Mulhearn (01296) 585724

AUDIT COMMITTEE

23 JULY 2018

PRESENT: Councillor R Newcombe (Chairman); Councillors A Waite (Vice-Chairman), C Adams, N Glover, S Raven, D Town and H Mordue (ex-Officio)

APOLOGIES: Councillors M Collins, A Harrison and R Stuchbury

1. PERMANENT / TEMPORARY CHANGES TO MEMBERSHIP

Members was informed that there had been one permanent change to membership of the Committee, with Councillor Mrs Glover joining the Committee for Councillor Irwin, who had been appointed to the Cabinet by the new Leader.

2. ELECTION OF CHAIRMAN

RESOLVED –

That Councillor Newcombe be elected Chairman of the Committee for the ensuing year.

3. APPOINTMENT OF VICE CHAIRMAN

RESOLVED –

That Councillor Waite be elected Vice-Chairman of the Committee for the ensuing year.

4. MINUTES

RESOLVED –

That the minutes of the meeting held on 26 June, 2018, be approved as a correct record.

5. EXTERNAL AUDIT - AUDIT RESULTS (ISA 260) AND LETTER OF REPRESENTATION

The Committee had received a report on the current position with the draft Statement of Accounts for 2017-18 to the June meeting. The Audit Commission's Code of Audit Practice required the external auditors to report to 'those charges with governance' on the work carried out to discharge the external auditors statutory and audit responsibilities, together with any governance issues identified.

The Committee received a report summarising the auditors findings from the 2017-18 audit which had been substantially completed. Subject to the satisfactory completion of the outstanding matters listed in the auditors' report, it was expected to issue an unqualified audit opinion on the financial statements before the 31 July 2018 deadline. The auditors had not identified any matters on the arrangements to secure economy, efficiency and effectiveness in the use of resources that needed to be reported to the Committee. The report highlighted the following key findings:-

- (i) Scope Update – the audit had been carried out in accordance with the scope and approach that had been reported to the Audit Committee on 26 March 2018. The planned materiality assessment had been updated based on gross expenditure on provision of services and was £2.290m (Audit Planning report - £1.959). This resulted in updated performance materiality, at 75% of overall

materiality, of £1.718m, and an updated threshold for reporting misstatements of £0.115m.

- (ii) Control Observations – a fully substantive approach had been adopted, so the operation of controls had not been tested. A number of observations and improvement recommendations in relation to management’s financial processes and controls had been identified during the audit.
- (iii) Value for Money – while the Audit Planning Report had identified a significant risk in relation to the sale of and circumstances leading to the disposal of Aylesbury Vale Broadband, there were no matters to report about the arrangements to secure economy, efficiency and effectiveness in the Council’s use of resources.
- (iv) Independence – the auditors had reported that there were no relationships from 1 April 2017 which might be reasonably thought to bear on their independence and objectivity.
- (v) Whole of Government accounts – an unqualified return would be made to the National Audit Office regarding the Whole of Government accounts submission. It had been found that AVDC was under the threshold for detailed testing.
- (vi) Status of the audit – it was expected to issue an unqualified opinion, subject to the satisfactory clearance of any outstanding work. The audit results demonstrated that the Council had adequately prepared the financial statements.
- (vii) Areas of audit focus – the Audit Planning Report had identified key areas of focus for the audit of AVDC’s financial statements, that was summarised in the “Key Audit Issues” of the report.
- (viii) Audit Differences – a number of adjustments had been identified that had been under the reporting threshold and which had been corrected by management. None of these adjustments needed to be brought to the attention of Members. One unadjusted audit difference had been recently identified which related to a pensions estimate as at the end of March . This information had not been available when the financial statements had been submitted for audit.

The areas that had been focussed on during the audit work included:-

- Revenue and Expenditure Recognition – testing had not identified any material misstatements, issues or unusual transactions that might indicate any misreporting of the Authority’s financial position.
- Management Override – audit work had not identified any material weaknesses in controls or evidence of material management override. No other transactions had been identified which might appear to be unusual or outside the Authority’s normal course of business.
- Property, Plant and Equipment (PPE) – the audit work had focussed on the judgements applied by management /valuer which would impact asset valuations, asset classification and asset lives. No material mis-statements had been identified in this area. Specifically, it was noted that there had been a significant improvement in this area when compared to the previous year.
- Looking at the valuation methods applied to the IAS 19 Pensions Liability.

The audit findings also included a number of appendices which Members considered as part of their deliberations:-

- Appendix A – Required communications with the Audit Committee.
- Appendix B – Outstanding matters.
- Appendix C – Management Representation letter.

Members sought additional information and were informed that the position had improved in relation to the accuracy of PPE / asset valuations and in reclassifying existing financial instruments assets. However, the position would still need to be monitored for future years.

(Action: add to Action Tracker).

RESOLVED –

- (1) That the matters raised in the external auditors' report and raised by the auditors at the meeting be noted.
- (2) That Finance staff and the external auditors be thanked for their work in preparing and auditing the financial statements for 2017-18, particularly as the timetable this year required all work to be completed and agreed by the earlier deadline of 31 July.
- (3) That the Letter of Representation be agreed, and the Chairman of the Audit Committee be approved to sign it off on the Committee's behalf.

6. INTERNAL AUDIT PROGRESS REPORT

The Committee received a progress report and was informed that the 2018/19 Annual Internal Audit Plan had been approved at the Audit Committee meeting in June 2018. Work had commenced to scope the internal audit reviews included in the first half of the plan.

The Corporate Risk Register had been reviewed by Cabinet on 10 July, and the recent comments from the Audit Committee had been taken on board. As the CRR had not been updated and would be reviewed by the Strategic Board on 25 July, it had not been reported to the meeting.

Members were also provided with an update on the Aylesbury Vale Broadband review report. Following the extraordinary Council meeting on 28 June, the scope and objectives of this review would be further discussed and agreed with Group Leaders, who were due to meet on 24 July. When the scope of work was agreed, consideration would need to be given to the impact on the existing Internal Audit plan of work. It was unlikely that the cross party working group would commence their work before the beginning of September 2018.

The Committee was informed that the CIPFA Better Governance Forum was running a training event, "Introduction to the Knowledge and Skills of the Audit Committee" in London on 20 September, 2018. Members who wished to attend were asked to contact the Officers.

Members sought additional information and were informed that a copy of the AVB unaudited financial statements for the year ending 31 March 2018 (confidential yellow pages) would be shared with Group Leaders at their next meeting and would also be similarly made available to the cross party working group.

RESOLVED –

That the progress report be noted.

7. INTERNAL AUDIT ANNUAL REPORT 2017-18

The Head of Internal Audit (Corporate Governance Manager) was required to provide a written annual report to those charged with governance timed to support the Annual Governance Statement (AGS), and which should be presented to Members and considered separately from the AGS and the formal accounts.

The Committee received a report detailing the Corporate Governance Manager's opinion on risk management, control and governance and their effectiveness in achieving the Council's agreed objectives for 2017-18. The report also incorporated a summary of the work undertaken to support the opinion and a statement on conformance with the Public Sector Internal Audit Standards. Based on this work, the Corporate Governance Manager had provided the following opinion:-

"Generally satisfactory with some improvements required to specific systems and processes.

Governance, risk management and control in relation to business critical areas was generally satisfactory. However, there were some weaknesses in the framework of governance, risk management and control which potentially put the achievement of the Council's objectives at risk.

Improvements were required in those areas to enhance the adequacy and effectiveness of governance, risk management and control."

In forming this opinion the Corporate Governance Manager had confirmed that internal audit activity throughout 2016-17 had been independent from the rest of the organisation and had not been subject to interference in the level or scope of the audit work completed.

The key factors that contributed to the opinion were summarised as follows:-

- The majority of weaknesses in control design and operating effectiveness identified had been medium or low risk. Improvements had been made during the year on implementing actions identified during internal audit reviews to strengthen the overall control environment.
- Improvements were still required in a number of areas. High risk reports had been issued for General Ledger and Housing Benefits. Actions were still required to address some of the issues identified in the prior year Accounts Receivable internal audit report.
- A number of internal audit reports had highlighted inadequacies in the level of management information, both at a corporate and service level to enable effective monitoring and oversight of both financial and non-financial performance.

A total of 9 assurance reviews had been completed in 2017/18 of which 2 had been classified as having a "high" risk, 6 a "medium" risk and 1 a "low" risk classification. This had resulted in the identification of 6 high, 16 medium and 20 low risk findings relating to weaknesses in the design and operating effectiveness of controls. This compared to 12 assurance reviews (6 high, 19 medium and 24 low priority recommendations) in 2016/17, although a direct comparison could not be made.

A summary of the reviews undertaken and the opinion given was detailed at Section 3 of the Corporate Governance Manager's report.

A number of weaknesses had been identified that needed to be reported in the Annual Governance Statement, and which related to the "high risk" reports issued for General Ledger and Housing Benefits and a general theme about lack of management information. A summary of these high risks was also detailed in Section 3 of the Corporate Governance Manager's report.

Other internal audit work undertaken during the year had included regularly reviewing and reporting of the corporate risk register to the Strategic Board, Audit Committee and to Cabinet.

All agreed actions arising from audit reports were kept under review by Internal Audit and regular reports on overdue actions were provided to the Audit Committee. There were no significant issues to report regarding the follow up of any audit recommendations.

The Council's internal audit function has been restructured during 2016/17 as part of the Commercial AVDC transformation programme. Since September 2016, the Head of Internal Audit role has been fulfilled by the Corporate Governance Manager and audit work had been performed by an external service provider under a co-source arrangement.

A self-assessment against the requirements of the Public Sector Internal Auditing Standards (PSIAS) had been conducted in 2013 and the gap analysis and action plan had been last updated in July 2015. The Corporate Governance Manager had further considered the requirements of PSIAS and there were no areas of concern that indicated that the current arrangements were not fully compliant with the Standards.

Members requested further information and were informed that progress had been made to improve the level of management information produced and reported.

The Report risk rating at the Summary of Internal Audit Activity for 2017/18 was based on the risk rating findings relating to the individual reviews. A definition of the risk classifications (critical, high, medium and low) was detailed at Appendix 2 to the Committee report.

Members expressed their thanks to Officers for the good quality of the audit work undertaken during 2017/18.

RESOLVED –

That the content of the Corporate Governance Manager's annual report for 2017-18 be noted.

8. ANNUAL GOVERNANCE STATEMENT 2017-18

The Annual Governance Statement (AGS) for Aylesbury Vale District Council, that would be signed by the Leader of the Council and the Chief Executive when approved by the Audit Committee, formed part of the Council's formal accounts for the financial year 2017-18.

The AGS had been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting and following the principles set out in the CIPFA Delivering Good Governance in Local Government Framework (2016).

The statement explained how AVDC had complied with the principles of corporate governance and also met the requirements of regulations 4(2) and 4(3) of the Accounts and Audit Regulations 2011, which required all relevant bodies to “conduct a review at least once in a year of the effectiveness of its system of internal control” and to prepare a statement on internal control “in accordance with proper practices”.

Members were advised that the assurance gathering process for preparing the Statement was based on the management and internal control framework of the Council and, in particular, on the independent report of the Council’s Corporate Governance Manager presented to this meeting. The assurance framework included reference to the sources of assurance obtained from management. This included the new service risk assurance process which had been reported in more detail to the Committee.

A major focus of focus during the year had been preparation for the new General Data Protection Regulations (GDPR) which came into force in May 2018. A programme of work had commenced in November 2017 to ensure any significant gaps in terms of compliance with the new regulations had been full addressed.

During the year, internal audit reports had highlighted a number of weaknesses that needed to be reported in the AGS, including on the “high risk” reports issued for General Ledger and Housing Benefits. As noted last year, there was also a general theme relating to a lack of consistently reported and monitored management information. Two new posts had been created during the restructure to support enhance Business Intelligence at a corporate level and progress had been made on capturing and reporting Corporate level performance indicators. Capacity in the finance team had been strengthened to enable better and more timely reporting of financial information. At a service level, improvements had also been made with better system reporting and monitoring by manager.

The AGS also included information on Company Governance in relation to Aylesbury Vale Broadband, which had led to an independent review being undertaken and reported to the Audit Committee in June 2018. The report had highlighted some good practice and made a series of 22 recommendations, drawing upon lessons that could be learnt. The recommendations would be taken forward to further strengthen the governance arrangements over current and future commercial interests.

Members were informed that, while AVDC had responsibility for conducting, at least annually, a review of effectiveness of its governance framework including the system of internal control, it had been decided to defer doing this until early in 2019 as there had been a number of Members that had recently come onto the Audit Committee.

Having critically reviewed the Annual Governance Statement 2017-18 and the robustness of the Council’s governance arrangements, it was

RESOLVED –

- (1) That the content of the Annual Governance Statement 2017-18, be noted.
- (2) That the Annual Governance Statement 2017-18 be approved for inclusion in the Council’s Statement of Accounts for 2017-18.

9. POST AUDIT STATEMENT OF ACCOUNTS 2017-18

The Accounts and Audit Regulations state that Members should only approve the accounts when they have been made aware of the findings of the audit and hence were able to make a better informed decision.

Following on from the report on the draft accounts to the June meeting, Members received a report updating them on the audit process and the changes made to the accounts in accordance with the external auditor's recommendations. The auditors' comments and findings from their work on the 2017/18 accounts had already been reported to Members earlier in the meeting.

Subject to being satisfied with the revised accounts and that the auditor's comments had been correctly responded to, the Committee was required to authorise the Chairman to sign them on the Audit Committee's behalf, together with the Director with responsibility for Finance, in order to comply with the 31 July statutory deadline. However, it was requested that the Committee delegate to the Director with responsibility for Finance, in consultation with the Chairman or Vice Chairman, the ability to make such changes to the accounts that are considered necessary in order to achieve the statutory deadline.

A number of adjustments had been made to the core statements presented in the draft accounts and these had been amended in the Statement of Accounts submitted to the meeting. The adjustments had no overall impact on the financial outturn for the financial year, and were as follows:-

- Change in debtor position relating to grant amount of £617,000, adjusted to reflect the correct financial year, but deferred to the business rate reserve.
- A further change on depreciation relating to the current year and the write back of depreciation on buildings elements of some car parks of £104,000.
- NHS debtor reclassification of £187,000 from "other entities and individuals" to "NHS debtors".
- Two minor updates to the cash flow statement (i.e. internal consistency in interest payable in Note 28.3 and line swapping in Note 30).
- Change in Note 33 car parks surplus to amend an inconsistency in reporting.

There was one unadjusted error which related to a pension revaluation matter, out of the control of the Council, that had become known after 31 March 2018.

Members sought additional information and were informed:-

- (i) that the Vale Commerce accounts for the current year were being prepared for submission to Companies House.
(Note: add to Action Tracker)
- (i) that details of companies owned by the Council had been incorporated into the Group Accounts.
- (ii) that a review of governance arrangements for Aylesbury Vale Estates had been included in the Internal Audit Plan 2018/19, as approved by the Committee in June 2018.

Having considered the final Statement of Accounts for 2017/18, it was –

RESOLVED –

- (1) That Finance staff be thanked for their work in preparing and auditing the financial statements for 2017-18, particularly as the timetable this year required all work to be completed and agreed by the earlier deadline of 31 July.
- (2) That the final outturn position of the Council's Statement of Accounts 2017/18 be noted.

- (3) That approval be given to the Chairman of the Audit Committee to sign off the Statement of Accounts for 2017/18 on the Committee's behalf.
- (4) That approval be given to the Director with responsibility for Finance, in consultation with the Chairman or Vice Chairman of the Audit Committee, to make such changes as considered necessary to achieve sign off by the statutory 31 July deadline.

10. WORK PROGRAMME

The Committee considered the future Work Programme (Appendix 1) which took account of comments and requests made at previous Committee meetings and particular views expressed at the meeting, and the requirements of the internal and external audit processes.

The Audit Committee Tracker (Appendix 2) was also attached to the Committee report which highlighted ongoing and completed actions identified by Members at previous meetings. Members agreed that once completed actions were reported back to the Committee they could be removed from the tracker.

It was also agreed that topics / issues for future training and briefing sessions would be considered after some Committee Members had attended CIPFA training in September.

RESOLVED –

That the future Work Programme as discussed at the meeting be approved.

Audit Committee
8 October 2018

EXTERNAL AUDIT – ANNUAL AUDIT LETTER

1 Purpose

- 1.1 The Council's external auditors have issued their Annual Audit Letter which provides an overall summary on completion of the Audit Commission's work at the Council. The report draws on audit work carried out at the Council relating to the 2017/18 financial year.

2 Recommendations/for decision

- | | |
|-----|--|
| 2.1 | To Committee is asked to agree the contents of the external auditor's Annual Audit Letter. |
|-----|--|

3 Supporting information

- 3.1 The external auditor's Annual Audit Letter 2017/18 is attached at Appendix 1.
- 3.2 The Audit Committee's terms of reference include dealing with external and internal audit issues. This report allows formal recognition of our external auditor's report by a Committee of the Council.
- 3.3 The external auditor's Annual Audit Letter will be made available to the public on the Council's website after it has been discussed at this meeting.

4 Reasons for Recommendation

- 4.1 The Annual Audit Letter is an essential element of the independent external audit process. This report has to be presented to a Committee of the Council for their consideration.

5 Resource implications

- 5.1 None

Contact Officer
Background Documents

Nuala Donnelly (01296) 585164
None

Aylesbury Vale District Council

Annual Audit Letter for the year
ended 31 March 2018

August 2018

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The EY logo consists of the letters 'EY' in a bold, white, sans-serif font. A yellow triangle is positioned above the 'Y'.

Building a better
working world

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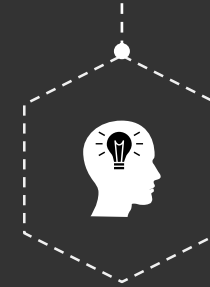
05

Other Reporting Issues



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Focused on your future



02

Purpose and Responsibilities



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Audit Fees



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

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

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

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

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



01

Executive Summary

Executive Summary

We are required to issue an annual audit letter to Aylesbury Vale District Council (the Council) following completion of our audit procedures for the year ended 31 March 2018. Below are the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the Council's:	Unqualified - the financial statements give a true and fair view of the financial position of the Council as at 31 March 2018 and of its expenditure and income for the year then ended.
▶ Financial statements	
▶ Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the Annual Accounts.
Concluding on the Council's arrangements for securing economy, efficiency and effectiveness	We concluded that you have put in place proper arrangements to secure value for money in your use of resources.

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

Area of Work	Conclusion
Reporting to the National Audit Office (NAO) on our review of the Council's Whole of Government Accounts return (WGA).	We had no matters to report. The Council is below the specified audit threshold of £500m. Therefore, we did not perform any audit procedures on the consolidation pack

Area of Work	Conclusion
Issued a report to those charged with governance of the Council communicating significant findings resulting from our audit.	Our Audit Results Report was issued on 23 July 2018.
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	Our certificate was issued on 23 July 2018.

In November 2018 we will also issue a report to those charged with governance of the Council summarising the certification work we have undertaken. We would like to take this opportunity to thank the Council's staff for their assistance during the course of our work.

Maria Grindley, Associate Partner
For and on behalf of Ernst & Young LLP



02

Purpose and Responsibilities

Purpose and Responsibilities

The Purpose of this Letter

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

We have already reported the detailed findings from our audit work in our 2017/18 Audit Results Report to the 23 July 2018 Audit Committee, representing those charged with governance. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Council.

Responsibilities of the Appointed Auditor

Our 2017/18 audit work has been undertaken in accordance with the Audit Plan that we issued on 14 March 2018 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

Expressing an opinion:

- ▶ On the 2017/18 financial statements; and
 - ▶ On the consistency of other information published with the financial statements.
- Forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources.
- ▶ Reporting by exception:
 - ▶ If the annual governance statement is misleading or not consistent with our understanding of the Council;
 - ▶ Any significant matters that are in the public interest;
 - ▶ Any written recommendations to the Council, which should be copied to the Secretary of State; and
 - ▶ If we have discharged our duties and responsibilities as established by thy Local Audit and Accountability Act 2014 and Code of Audit Practice.

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on you Whole of Government Accounts return. The Council is below the specified audit threshold of £500m. Therefore, we did not perform any audit procedures on the return.

Responsibilities of the Council

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

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



03

Financial Statement Audit

Financial Statement Audit

Key Issues

The Council's Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health. We audited the Council's Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office and issued an unqualified audit report on 23 July 2018. Our detailed findings were reported to the 23 July 2018 Audit Committee.

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

Significant Risk	Work completed and conclusion
<p>Misstatements due to fraud or error</p> <p>The financial statements as a whole are not free of material misstatements whether caused by fraud or error.</p> <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>We have considered the risk of management override and the areas of the financial statements that may be most susceptible to this risk. We have concluded that the judgements we are focused on are items of non-routine income and expenditure, involving management estimation and judgement, rather than transactions created through routine invoicing processes.</p> <p>As this relates to how the Council recognises revenue and expenditure, we have addressed the risk through our procedures to address the risk of fraud in revenue and expenditure recognition.</p> <p>Our work on the risk of management override therefore focussed on reviewing manual journal entries, through the use of our data analytics tools, as this is the way in management would most easily be able to manipulate accounting records.</p>	<p>We obtained a full list of journals posted to the general ledger during the year, and analysed these journals using criteria we set to identify any unusual journal types or amounts. We then tested a sample of journals that met our criteria and tested these to supporting documentation.</p> <p>We considered accounting estimates most susceptible to bias. These included accounting estimates in respect of property, plant and equipment as well as IAS 19 pension liability estimates.</p> <p>We evaluated the business rationale for any significant unusual transactions.</p> <p>We did not identify any material weaknesses in controls or evidence of material management override.</p> <p>We did not identify any instances of inappropriate judgements being applied.</p> <p>We did not identify any other transactions during our audit which appeared unusual or outside the Council's normal course of business.</p>



Financial Statement Audit (cont'd)

The key issues identified as part of our audit were as follows: (cont'd)

Significant Risk	Work completed and conclusion
<p>Risk of fraud in revenue and expenditure recognition</p> <p>Auditing standards also required us to presume that there is a risk that revenue and expenditure may be misstated due to improper recognition or manipulation.</p> <p>We respond to this risk by reviewing and testing material revenue and expenditure streams and revenue cut-off at the year end.</p> <p>The risk is focused on significant transactions that are outside the normal course of business for the entity, or that otherwise appear to be unusual given our understanding of the entity and its environment and other information obtained during the audit.</p> <p>We have identified the following unusual transactions which we consider to present a risk revenue and expenditure recognition:</p> <ul style="list-style-type: none">Minimum Revenue Provision (MRP);Capital Financing Requirement (CFR);Revenue and Expenditure Funded from Capital Under Statute (REFCUS); andProperty, Plant and Equipment (PPE) additions.	<p>Our testing did not identify any material mis-statements from revenue and expenditure recognition</p> <p>Overall our audit work did not identify any material issues or unusual transactions to indicate any mis-reporting of the Council's financial position</p>



Financial Statement Audit (cont'd)

The key issues identified as part of our audit were as follows: (cont'd)

Significant Risk	Work completed and conclusion
<p>Property, Plant and Equipment - Administration and Valuation</p> <p>In 2016/17 we identified a number of issues with PPE in respect of the administration of PPE within the Fixed Asset Register including the processes in place to ensure that PPE values were accurately reflected in the financial statements. This resulted in a number of material mis-statements and one non-material uncorrected mis-statement. We will therefore review this in detail in 2017/18 to ensure that PPE is correctly accounted for in the financial statements. We also identified issues with the instructions to the valuer for the revaluation of specific asset categories. Given the size of the PPE balances in relation to materiality an error in PPE could result in a material error.</p>	<p>We:</p> <ul style="list-style-type: none"> ▶ Considered the work performed by the Council's valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work; ▶ Sample tested key asset information used by the valuer in performing their valuation (e.g. floor plans to support valuations based on price per square metre); ▶ Considered the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code for PPE and annually for Investment Properties. We have also considered if there are any specific changes to assets that have occurred and that these have been communicated to the valuer; ▶ Reviewed assets not subject to valuation in 2017/18 to confirm that the remaining asset base is not materially misstated; ▶ Considered changes to useful economic lives as a result of the most recent valuation; ▶ Tested accounting entries have been correctly processed in the financial statements. <p>We did not identify any material mis-statements from the work completed. There were some non-material mis-statements.</p>
<p>Other Risk: Pension Liability Valuation</p> <p>The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Buckinghamshire County Council. The Council's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Council's balance sheet. At 31 March 2017 this totalled £106 million. The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the County Council. Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>	<p>We:</p> <ul style="list-style-type: none"> ▶ Liaised with the auditors of Buckinghamshire County Pension Fund to obtain assurances over the information supplied to the actuary in relation to Aylesbury Vale District Council; ▶ Assessed the work of the Pension Fund actuary (Barnett Waddingham) including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by Public Sector Auditor Appointments for all Local Government sector auditors, and considering any relevant reviews by the EY actuarial team; and ▶ Reviewed and tested the accounting entries and disclosures made within the Council's financial statements in relation to IAS19. <p>As a result of completing our work we identified one uncorrected mis-statement. This was in relation to a difference in the estimated value of the fund assets attributable to Aylesbury Vale and the actual outturn position. The value of this difference was £1.328 m.</p>

Financial Statement Audit (cont'd)

Our application of materiality

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

Item	Thresholds applied
Planning materiality	We determined planning materiality to be £1.959 mn (2016/17: £1.952 mn), which is 2% of Gross Revenue Expenditure reported in the accounts of £114.542 million adjusted for other items of expenditure not accounted for in the Net Cost of Services. We consider Gross Revenue Expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Council.
Reporting threshold	We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.114 mn (2016/17: £0.098 mn)

2022
We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to these areas. The areas identified and audit strategy applied include:

- ▶ Remuneration disclosures including any severance payments, exit packages and termination benefits.
- ▶ Related party transactions.

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

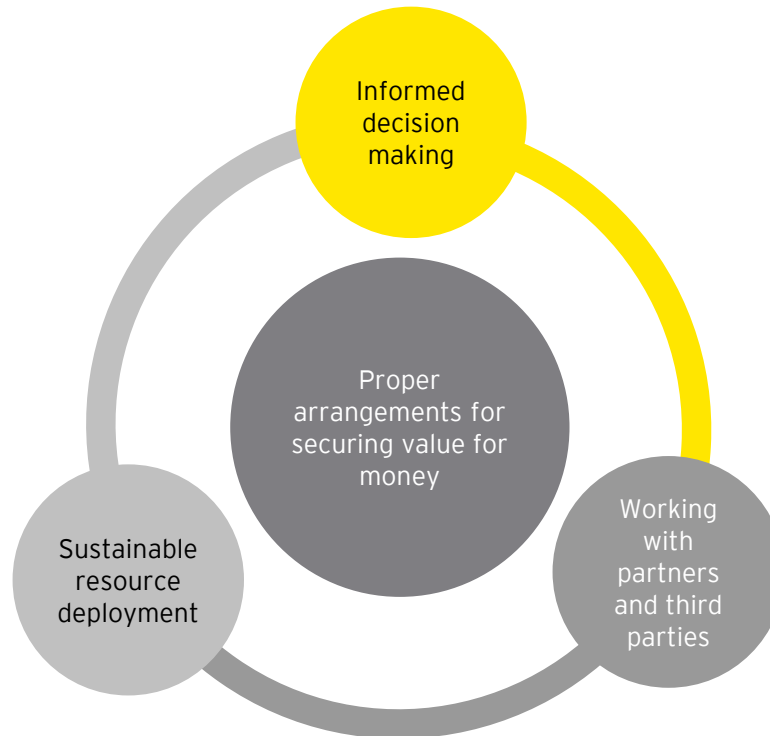


04 Value for Money

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

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

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



We identified one significant risk in relation to these arrangements. The table below present the findings of our work in response to the risks identified and any other significant weaknesses or issues to bring to your attention.

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

Value for Money (cont'd)

We therefore issued an unqualified value for money conclusion on 23 July 2018.

Significant Risk	Conclusion
Sale of and circumstances leading to sale of Aylesbury Vale Broadband (AVB)	<p>We reviewed the initial Internal Audit review undertaken in March 2017 and reported in September 2017. In addition we also read the independent review undertaken by BDO LLP into the sale and disposal of AVB and which was presented at the Audit Committee meeting on 13 June 2018. We do not intend to re-iterate the findings from those reports here.</p> <p>The recommendations from the BDO report have now been fully accepted by Council and the Audit Committee and put in place a clear framework for further commercial ventures. In addition to the reports, EY as external auditors have attended all Audit Committee meetings throughout the year and at which AVB has been discussed. Also, as part of regular ongoing discussions with senior management we regularly raised AVB given its prominence on the Audit Committee Agenda.</p> <p>We would note that both the Internal Audit report and the BDO report highlight a number of common themes and recommendations.</p> <p>Our value for money conclusion considers the Council's arrangements across the board so we have to consider whether the issues in relation to AVB are representative of the Council as a whole. Of wider interest to us in reaching our conclusions was the history of the organisation in other spheres of commercialisation.</p> <p>Is it clear from our work that a number of the issues relating to the sale of AVB are not indicative of wider and more pervasive issues. This has been a key consideration for us in reaching this conclusion.</p>



05

Other Reporting Issues



Other Reporting Issues

Whole of Government Accounts

The Council is below the specified audit threshold of £500 m. Therefore, we did not perform any audit procedures on the consolidation pack.

Annual Governance Statement

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

We completed this work and did not identify any areas of concern.

Report in the Public Interest

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

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

Written Recommendations

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

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



Other Reporting Issues (cont'd)

Objections Received

We did not receive any objections to the 2017/18 financial statements from members of the public.

Other Powers and Duties

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

Independence

We communicated our assessment of independence in our Audit Results Report to the Audit Committee on 23 July 2018. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit. The matters reported are shown below and are limited to those deficiencies that we identified during the audit and that we concluded are of sufficient importance to merit being reported.

Description	Impact
Property, Plant and Equipment (PPE)	As part of work on PPE we identified a number of assets which should have been fully depreciated but a number of these were carrying small values. In addition there were a number of assets which were fully depreciated. We would recommend that a review be undertaken into these assets.



06

Data Analytics



Use of Data Analytics in the Audit

Data analytics – revenue and expenditure recognition and management override

Analytics Driven Audit

Data analytics

We used our data analysers to enable us to capture entire populations of your financial data. These analysers:

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

In 2017/18, our use of these analysers in the authority's audit included testing journal entries and employee expenses, to identify and focus our testing on those entries we deem to have the highest inherent risk to the audit.

We capture the data through our formal data requests and the data transfer takes place on a secured EY website. These are in line with our EY data protection policies which are designed to protect the confidentiality, integrity and availability of business and personal information.

Journal Entry Analysis

We obtain downloads of all financial ledger transactions posted in the year. We perform completeness analysis over the data, reconciling the sum of transactions to the movement in the trial balances and financial statements to ensure we have captured all data. Our analysers then review and sort transactions, allowing us to more effectively identify and test journals that we consider to be higher risk, as identified in our audit planning report.

Payroll Analysis

We also use our analysers in our payroll testing. We obtain all payroll transactions posted in the year from the payroll system and perform completeness analysis over the data, including reconciling the total amount to the General Ledger trial balance. We then analyse the data against a number of specifically designed procedures. These include analysis of payroll costs by month to identify any variances from established expectations, as well as more detailed transactional interrogation.



Data Analytics

Journal Entry Data Insights

We review journals by certain risk based criteria to focus on higher risk transactions, such as journals posted manually by management, those posted around the year-end, those with unusual debit and credit relationships, and those posted by individuals we would not expect to be entering transactions.

The purpose of this approach is to provide a more effective, risk focused approach to auditing journal entries, minimising the burden of compliance on management by minimising randomly selected samples. We will share this information with management to provide additional insight and value from our audit procedures.



Journal Entry Testing

What is the risk?

In line with ISA 240 we are required to test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

What judgements are we focused on?

Using our analysers we are able to take a risk based approach to identify journals with a higher risk of management override, as outlined in our audit planning report.

What did we do?

We obtained general ledger journal data for the period and have used our analysers to identify characteristics typically associated with inappropriate journal entries or adjustments, and journals entries that are subject to a higher risk of management override.

We then performed tests on the journals identified to determine if they were appropriate and reasonable.

What are our conclusions?

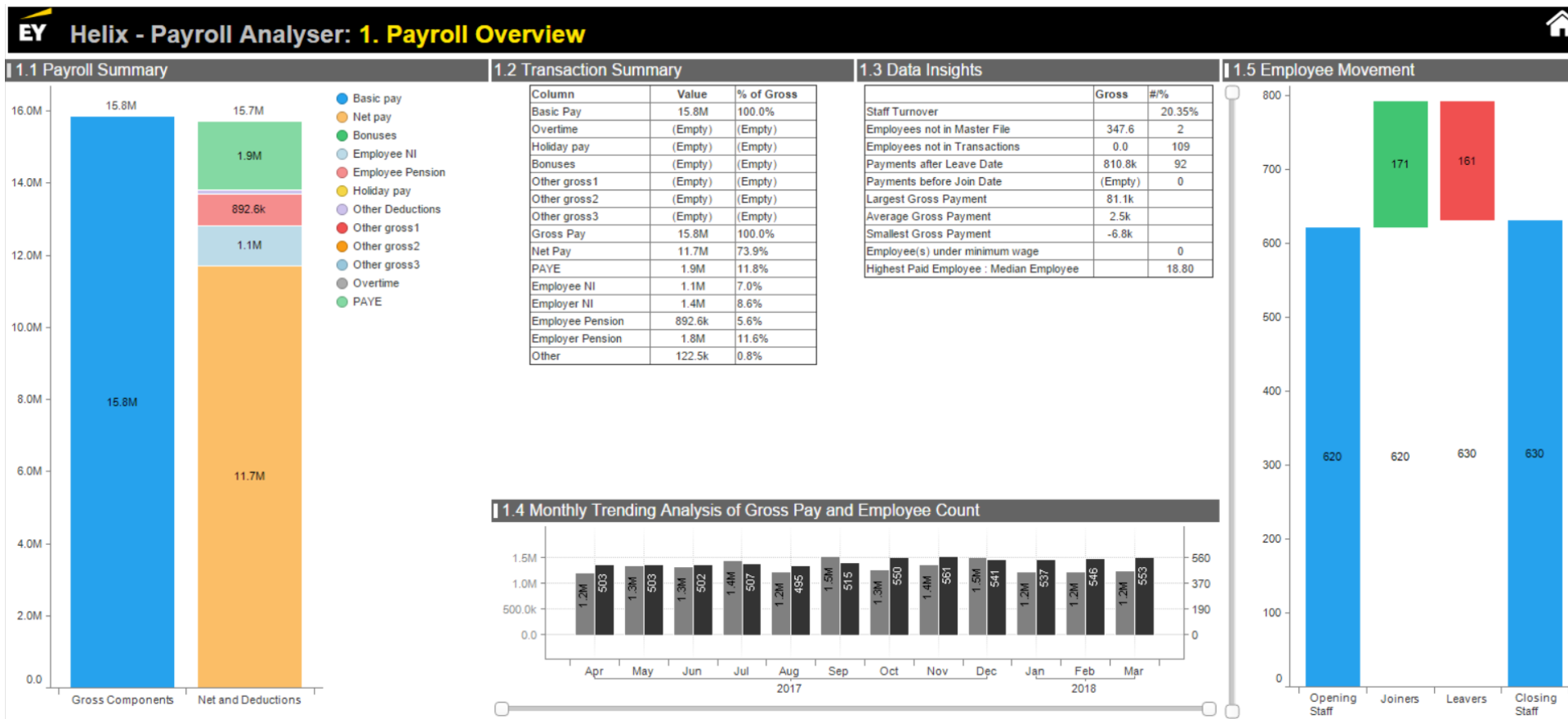
We isolated a sub set of journals for further investigation and obtained supporting evidence to verify the posting of these transactions and concluded that they were appropriately stated.



Data Analytics

Payroll Analyser Insights

The graphic outlined below summarises the AVDC payroll data for 2017/18. We review transactions for payroll at a more granular level, which allows us to identify items with a higher likelihood of containing material misstatements or to identify unusual patterns within a population of data and to design tests of details. This allows us to provide a more effective and risk focused audit on payroll, improving efficiency for both audit and the management as we reduce the need for evidence support for larger random sample.





Payroll Testing

What judgements are we focused on?

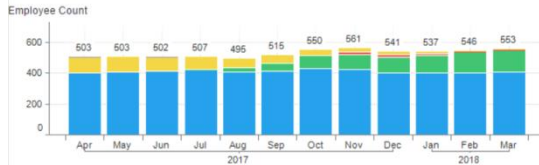
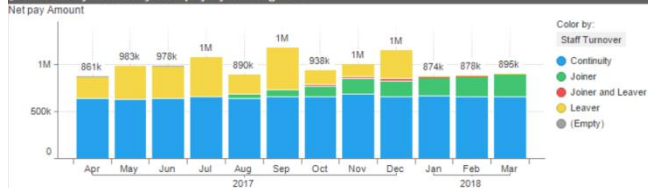
Using our analysers we are able to identify anomalies in the payroll data which allow us to focus our testing and enquires over unusual or unexpected transactions.

Payroll Data – AVDC - 31 March 2018

EY Helix - Payroll Analyser: 4. Monthly Summary

Select a variable from the drop down list below to view the analysis for different payroll transaction types. Select individual months in chart 4.0 to obtain transaction level data for the selected month, this will appear in 4.2 payment data drilldown.
Select Variable: Net pay | Select Frequency: Monthly | Select Colour By: Staff Turnover

4.0 Monthly Summary: Net pay by Posting Date



4.1 Monthly Summary: Net pay

Year	Month	Total Net pay	Avg Per Transaction	% of Gross Pay	Nil Payments / Total	Monthly % Change
2017	Apr	861,399.69	1,712.52	71.72%	0/503	
	May	983,111.42	1,954.50	73.81%	0/503	14.13%
	Jun	977,677.08	1,947.56	73.82%	1/502	-0.55%
	Jul	1,074,696.84	2,119.72	74.47%	1/507	9.92%
	Aug	889,957.96	1,797.89	73.19%	1/495	-17.19%
	Sep	1,179,830.73	2,290.93	77.50%	4/515	32.57%
	Oct	937,819.00	1,705.13	74.04%	2/550	-20.51%
	Nov	1,000,341.74	1,783.14	73.54%	0/561	6.67%
	Dec	1,150,035.19	2,125.76	76.14%	1/541	14.96%
2018	Jan	874,000.52	1,627.56	71.74%	2/537	-24.00%
	Feb	877,576.69	1,595.59	72.58%	4/550	0.41%
	Mar	895,472.52	1,604.79	72.91%	7/558	2.04%
Grand total		11,701,919.38	1,850.98	73.90%	23/6322	0.00%

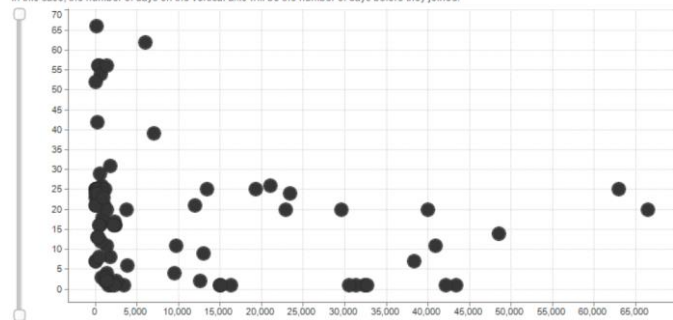
What did we do?

We obtained payroll data for the period and have used our analysers to identify unusual payments based on expectations of average pay per designation, date inconsistencies where payments made to individuals after they have left the organisation or before they have joined and payments made in the year that appears anomalous compare to average monthly payments.

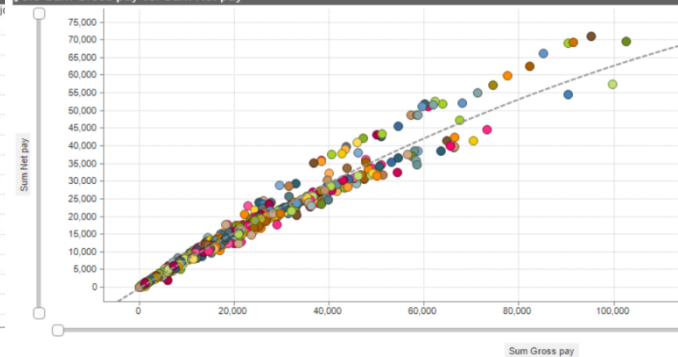
We then tested the anomalies to determine if they were appropriate and reasonable.

18.1 Gross Pay vs. Days Lag

This shows the employees paid before joining or after leaving. If an employee leaves and returns, it is possible for them to be paid both before and after. In this case, the number of days on the vertical axis will be the number of days before they joined.



19.0 Sum Gross pay vs. Sum Net pay



What are our conclusions?

We isolated a sub set of anomalies for further investigation and obtained supporting evidence to verify the posting of these transactions and concluded that they were appropriately stated.



07

Focused on your future



Focused on your future

The Code of Practice on Local Authority Accounting in the United Kingdom introduces the application of new accounting standards in future years. The impact on the Council is summarised in the table below.

Standard	Issue	Impact
IFRS 9 Financial Instruments	<p>Applicable for local authority accounts from the 2018/19 financial year and will change:</p> <ul style="list-style-type: none"> ▶ How financial assets are classified and measured; ▶ How the impairment of financial assets are calculated; and ▶ The disclosure requirements for financial assets. <p>There are transitional arrangements within the standard and the 2018/19 Accounting Code of Practice for Local Authorities has now been issued, providing guidance on the application of IFRS 9. In advance of the Guidance Notes being issued, CIPFA have issued some provisional information providing detail on the impact on local authority accounting of IFRS 9, however the key outstanding issue is whether any accounting statutory overrides will be introduced to mitigate any impact.</p>	<p>Although the Code has now been issued, providing guidance on the application of the standard, along with other provisional information issued by CIPFA on the approach to adopting IFRS 9, until the Guidance Notes are issued and any statutory overrides are confirmed there remains some uncertainty. However, what is clear is that the Council will have to:</p> <ul style="list-style-type: none"> ▶ Reclassify existing financial instrument assets ▶ Re-measure and recalculate potential impairments of those assets; and ▶ Prepare additional disclosure notes for material items.
IFRS 15 Revenue from Contracts with Customers	<p>Applicable for local authority accounts from the 2018/19 financial year. This new standard deals with accounting for all contracts with customers except:</p> <ul style="list-style-type: none"> ▶ Leases; ▶ Financial instruments; ▶ Insurance contracts; and ▶ For local authorities; Council Tax and NDR income. <p>The key requirements of the standard cover the identification of performance obligations under customer contracts and the linking of income to the meeting of those performance obligations.</p> <p>Now that the 2018/19 Accounting Code of Practice for Local Authorities has been issued it is becoming clear what the impact on local authority accounting will be. As the vast majority of revenue streams of Local Authorities fall outside the scope of IFRS 15, the impact of this standard is likely to be limited.</p>	<p>As with IFRS 9, some provisional information on the approach to adopting IFRS 15 has been issued by CIPFA in advance of the Guidance Notes. Now that the Code has been issued, initial views have been confirmed; that due to the revenue streams of Local Authorities the impact of this standard is likely to be limited.</p> <p>The standard is far more likely to impact on Local Authority Trading Companies who will have material revenue streams arising from contracts with customers. The Council will need to consider the impact of this on their own group accounts when that trading company is consolidated.</p>



Focused on your future (cont'd)

Standard	Issue	Impact
IFRS 16 Leases	<p>It is currently proposed that IFRS 16 will be applicable for local authority accounts from the 2019/20 financial year.</p> <p>Whilst the definition of a lease remains similar to the current leasing standard; IAS 17, for local authorities who lease a large number of assets the new standard will have a significant impact, with nearly all current leases being included on the balance sheet.</p> <p>There are transitional arrangements within the standard and although the 2019/20 Accounting Code of Practice for Local Authorities has yet to be issued, CIPFA have issued some limited provisional information which begins to clarify what the impact on local authority accounting will be. Whether any accounting statutory overrides will be introduced to mitigate any impact remains an outstanding issue.</p>	<p>Until the 2019/20 Accounting Code is issued and any statutory overrides are confirmed there remains some uncertainty in this area.</p> <p>However, what is clear is that the Council will need to undertake a detailed exercise to identify all of its leases and capture the relevant information for them. The Council must therefore ensure that all lease arrangements are fully documented.</p>



08 Audit Fees

Audit Fees

Our fee for 2017/18 is in line with the scale fee set by the PSAA and reported in our 14 March 2018 Audit Plan.

Description	Final Fee 2017/18 £	Planned Fee 2017/18 £	Scale Fee 2017/18 £	Final Fee 2016/17 £
Total Audit Fee - Code work	59,352*	56,785	56,785	58,464
Total Audit Fee - Certification of claims and returns - Housing Benefits Subsidy Claim	TBC**	17,411	17,411	14,971
Total Audit Fee	TBC	74,196	74,196	73,435

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We confirm we have not undertaken any non-audit work outside of the PSAA's requirements.

*TBC: We had 2 significant risks on the audit which were specific to Aylesbury Vale and beyond what the scale fee is based on. In line with PSAA requirements where we have additional significant risks these then incur additional fee. The significant risks were in relation to the administration and maintenance of the Fixed Asset Register and we also had 1 VFM significant risk. We have discussed the proposed additional fee with senior officers.

**TBC: The Scale Fee for the Housing Benefit subsidy claim is reflective of the work required to complete the return 2 years previous. We will therefore need to understand the extent of any extended testing of errors in the current year before we can confirm the final fee. The certification deadline is 30 November 2018. We will report the final fee in our certification report which we will bring to a subsequent Audit Committee.

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ED None

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Audit Committee
8 October 2018

CORPORATE RISK REGISTER

1 Purpose

- 1.1 To brief the committee on the updated Corporate Risk Register.

2 Recommendations/for decision

- | | |
|-----|---|
| 2.1 | To review the Corporate Risk Register and associated actions (Appendix 2) and identify any issues for further consideration |
| 2.2 | To note the Planning Performance Report and consider the level of risk to attach to it. |

3 Corporate Risk Register - Supporting information

- 3.1 The Audit Committee has a role to monitor the effectiveness of risk management and internal control across the Council. As part of discharging this role the committee is asked to review the Corporate Risk Register.
- 3.2 The Corporate Risk Register provides evidence of a risk aware and risk managed organisation. It reflects the risks that are on the current radar for Strategic Board. Some of them are not dissimilar to those faced across other local authorities.
- 3.3 The risk register is reviewed regularly by Strategic Board and reported to the Audit Committee and Cabinet.
- 3.4 At the Audit Committee meeting in June 2018, members requested that a new risk be added to the corporate risk register to reflect the risk posed by a deterioration in the quality of delivery of the planning service. A report on planning performance in Quarter 1 of 2017/18 (April-June) is attached for consideration.
- 3.5 This contains a summary of performance in four key areas of work, planning applications, appeals, enforcement and informal enquiries, together with a brief commentary on each section. The purpose of this report is to demonstrate the performance of various planning teams against government set targets, particularly the decisions made within the 13 and 8 week determination periods, for major and all other applications respectively.

4 Reasons for Recommendation

- 4.1 To allow members of the Audit Committee to review the Corporate Risk Register.

5 Resource implications

- 5.1 None

Contact Officer

Kate Mulhearn – Corporate Governance Manager
Tel: 01296 585724

Background Documents

None

Corporate Risk Register Update

The Corporate Risk Register (CRR) shows the key risks to the Council and the actions that are being taken to respond to these risks. The CRR is reviewed on a regular basis by Strategic Board and was last updated on 5 September 2018. Cabinet reviewed the CRR on 12 September 2018.

Since the CRR was last reported to Audit Committee in June 2018, the following risks have changed:

Risk Ref	Change	Comment
2) Organisational culture does not enable the strategy (Connected Vision, Connected Knowledge & commercial targets). Behaviour framework and Values are not embedded.	Reduced M→L	Becoming embedded into ongoing programmes and business as usual.
8) Fail to manage and deliver major capital projects on budget and to time - Pembroke Road redevelopment	Reduced H→M	Budget approved and tenders received are within budget. Planning approval obtained.
Impact of BREXIT	New	Working group established to assess impact of different scenarios and risks to AVDC
Deterioration of quality of planning service delivery, decisions and timeliness of response to applications; compounded by vacancies in the planning team (although reducing), reliance on consultants and the rate of growth within the Vale	New	Statistics show planning performance is improving, but ongoing concerns raised over quality of service. Audit committee to consider further at meeting on 8 October
Failure to effectively engage with members and the community around the Council's vision and strategy.	Closed	This arose during the restructure which is now complete. Team structures are in place to better support member engagement. The Democratic Services Manager has conducted a survey to ask members for input on their development needs. A programme is running to ensure all members are able to engage digitally, with appropriate data security controls, and a training programme is being developed based upon the responses received to the survey. Any further actions to be incorporated into BAU plans.

There are **26 risks** on the corporate risk register. The residual risk rating is summarised as follows:

Residual Risk Rating			
Low risk 2	Moderate risk 13	High Risk 7	Extreme risk 1
<p>18) Fraud, corruption, malpractice by internal or external threats.</p> <p>19) Equalities is not considered in decisions resulting in Judicial Review and other litigation.</p>	<p>1) Fail to achieve the Medium Term Financial Plan. Annual sector budgets are not delivered.</p> <p>2) Organisational culture does not enable the strategy.</p> <p>4) Portfolio of commercial (profit generating/cost recovery) activities and opportunities fails to produce the return on investment needed.</p> <p>6) Council owned or partly owned companies (AVE & AVB) fail to achieve the Council's objectives. Inadequate governance arrangements.</p> <p>7) Waste Transformation Project fails to deliver commercial, customer, H&S, Environmental objectives.</p> <p>8) Fail to manage and deliver major capital projects on budget and to time -Pembroke Road redevelopment</p> <p>10) Fail to recruit Technical Professional Specialists (Planning, IT, Property). Reliance on use of consultants / agency and not effectively managed.</p> <p>11) Fail to deliver a sound Vale of Aylesbury Local Plan.</p> <p>12) Health & Safety - Non-compliance with Fire and Health and Safety legislation.</p> <p>15) Information Governance - A significant data breach, Inappropriate access, corruption or loss of data</p> <p>16) Safeguarding arrangements, internal policies and processes are not adequate to address concerns about /protect vulnerable adults & children.</p> <p>21) Failure to provide Universal Credit applicants with the support needed to successfully claim; could result in increased rent arrears locally and subsequent pressure on homelessness services</p> <p>23) Inadequate working with stakeholders to ensure safety of residential buildings following Grenfell. Lessons learned from Grenfell are not implemented.</p>	<p>3) Failure to deliver the Connected Knowledge Strategy and achieve the Council's Digital objectives.</p> <p>9) Fail to manage and deliver major capital projects on budget and to time - The Exchange</p> <p>13) Fail to plan for a major or large scale incident. Risk to safety of public & staff.</p> <p>14) Business interruption affecting the Council's resources and its ability to deliver critical services.</p> <p>17) Failure to manage a major partnership (e.g. LEAP, Enterprise Zones) or a significant council contractor.</p> <p>22) Failure to adequately plan in an appropriate timeframe for the next round of growth following adoption of VALP; including consideration of CaMKOx Corridor and need to meet updated Objectively Assessed Need housing targets included in the National Planning Policy Framework.</p> <p>24) Implementation of new HR & Payroll system may not go live with 100% accuracy</p>	<p>20) Modernising Local Government decision: Disruption to service delivery due to resource detraction from day-job and ongoing uncertainty impacting all areas incl. retention and recruitment, procurement, working relationships across all stakeholders.</p>

Notes:

The following risks have not yet been fully assessed and rated:

- 5) Fail to deliver the Commercial Property Investment strategy and achieve planned return on investment - has not yet been fully assessed and rated.
- 25) Impact of BREXIT
- 26) Deterioration of the quality of planning service delivery

Risk Matrix

Impact	5	Catastrophic	5	10	15	20	25
	4	Major	4	8	12	16	20
	3	Moderate	3	6	9	12	15
	2	Minor	2	4	6	8	10
	1	Negligible	1	2	3	4	5
Score			Rare	Unlikely	Possible	Likely	Very Likely
			1	2	3	4	5
			Likelihood				

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	1-3	Low Risk	Acceptable risk; No further action or additional controls are required; Risk at this level should be monitored and reassessed at appropriate intervals
	4 - 6	Moderate Risk	A risk at this level may be acceptable; If not acceptable, existing controls should be monitored or adjusted; No further action or additional controls are required.
	8 – 12	High Risk	Not normally acceptable; Efforts should be made to reduce the risk, provided this is not disproportionate; Determine the need for improved control measures.
	15 - 25	Extreme Risk	Unacceptable; Immediate action must be taken to manage the risk; A number of control measures may be required.

Risk Ratings - Impact

Score	Descriptor	Compliance	Finance	Health and safety	Internal Control	Political	Reputational	Staffing & Culture
1	Negligible	No or minimal impact or breach of guidance/ statutory duty	Small loss risk of claim remote	Minor injury; Cuts, bruises, etc.; Unlikely to result in sick leave	Control is in place with strong evidence to support	Parties work positively together with occasional differences; Members & executive work co-operatively	Rumours; Potential for public concern	Short-term low staffing level that temporarily reduces service quality (<1 day)
2	Minor	Breach of statutory legislation; Reduced performance rating from external/internal inspector	Loss of 0.1-0.25 per cent of budget; Claim less than £20k	Moderate injuries; Likely to result in 1-7 days sick leave	Control in place with tentative evidence	Parties have minor differences of opinion on key policies; Members and executive have minor issues	Local media coverage short term reduction in public confidence; Elements of public expectation not met	Low staffing level that reduces the service quality
3	Moderate	Single breach in statutory duty; Challenging external or internal recommendations or improvement notice	Loss of 0.25-0.5 per cent of budget; Claims between £20k - £150k.	Major injuries; More than 7 days sick leave – notifiable to HSE	Control in place with no evidence to support	Members begin to be ineffective in role; Members and Executive at times do not work positively together	Local media coverage – long term reduction in public confidence	Late delivery of key objective/service due to the lack of staff; Low staff morale; Poor staff attendance for mandatory/key training
4	Major	Enforcement action; Multiple breaches of statutory duty; Improvement notices; Low performance ratings	Uncertain delivery of key objectives/loss of 0.5 – 1.0 percent of budget; Claims between £150k to £1m	Death; Single fatality	Partial control in place with no evidence	Members raise questions to officers over and above that amount tolerable; Strained relationships between Executive and Members	National media coverage with key directorates performing well below reasonable public expectation	Uncertain delivery of key objective/service due to lack of staff; Unsafe staffing level or competence; Loss of key staff; Very low staff morale; No staff attending training
5	Catastrophic	Multiple breaches in statutory duty; Prosecution; Complete system changes required; Zero performance against key priorities and targets	Non delivery of key objective/loss of >1 percent of budget; Failure to meet specification/slippage; Loss of major income contract	Multiple deaths; More than one Fatality	No control in place	Internal issues within parties which prevent collaborative working; Que from members shift resources away from corporate priorities	National media coverage, public confidence eroded; Member intervention/action	Non-delivery of key objective/service due to lack of staff; Ongoing unsafe staffing levels or competence; Loss of several key staff; Staff not attending training on ongoing basis

Risk Rating – Likelihood

	Likelihood	Likelihood Descriptors	Numerical likelihood
1	Rare	May occur only in exceptional circumstances	Less than 10%
2	Unlikely	Do not expect it to happen/recur but it is possible it may do so	Less than 25%
3	Possible	Might happen or recur occasionally	Less than 50%
4	Likely	Will probably happen/recur but it is not a persisting issue	50% or more
5	Very Likely	Will undoubtedly happen/recur, possibly frequently	75% or more

Capacity to Manage

Capacity to Manage	Description
Full	Full – all reasonable steps have been taken to mitigate the risk and are operating effectively. The cost / benefit considerations on implementing additional controls have been considered and no additional actions are proposed.
Substantial	Substantial – there are sound arrangements to manage the risk with some scope for improvement. Arrangements have had a demonstrable impact in reducing either the likelihood or consequence of the risk.
Moderate	Moderate – there are a number of areas for improvement in arrangements that would help to demonstrate effective and consistent management of the risk.
Limited	Limited – there are significant areas for improvement in arrangements that would help to demonstrate effective and consistent management of the risk.
None	None – there are a lack of clear arrangements in mitigation of the risk.

Planning Performance Report to Audit Committee

Workload and Performance Review for Quarter April to June 2018

Introduction for Audit Committee – 8 October 2018

The purpose of this report is to provide members with information to inform their discussions around the risk register, in particular the proposal to create a new risk described as "*Deterioration of quality of planning service delivery, decisions and timeliness of response to applications; compounded by vacancies in the planning team (although reducing), reliance on consultants and the rate of growth within the Vale*". The information provided is intended to help members to decide if the adoption of this new risk is needed, and if so the level of risk to attach to it.

The information below replicates the most recent planning performance report presented to the Development Management Committee. This contains a summary of performance in four key areas of work, planning applications, appeals, enforcement and informal enquiries, together with a brief commentary on each section.

The purpose of this report is to demonstrate to Development Management Committee the performance of various planning teams against government set targets, particularly the decisions made within the 13 and 8 week determination periods, for major and all other applications respectively.

In this report is set out the performance in Quarter 1 of 2017/18 (April-June). Key aspects to consider are the 2 year rolling targets prescribed by government; 60% in majors and 70% for all other applications determined in time. This includes 'extensions of time', where an extension of the prescribed 8/13 week timeframes is agreed by the Council and the applicant, and the application is determined within this extended time period, this is counted as being determined within the original timeframe by the government.

Planning in a significant growth area like Aylesbury Vale is under significant pressure due to the volumes of applications being made to the authority. Nationally, recruitment of experienced local government planners is challenging, however AVDC has seen some success in this area and over the last 12 months has recruited 16 planners at various levels to work in the development management service. Some of these planners are at the beginning or early stages of their careers (e.g. graduate –level planners) and require intensive training and support to ensure they are capable of managing a demanding workload.

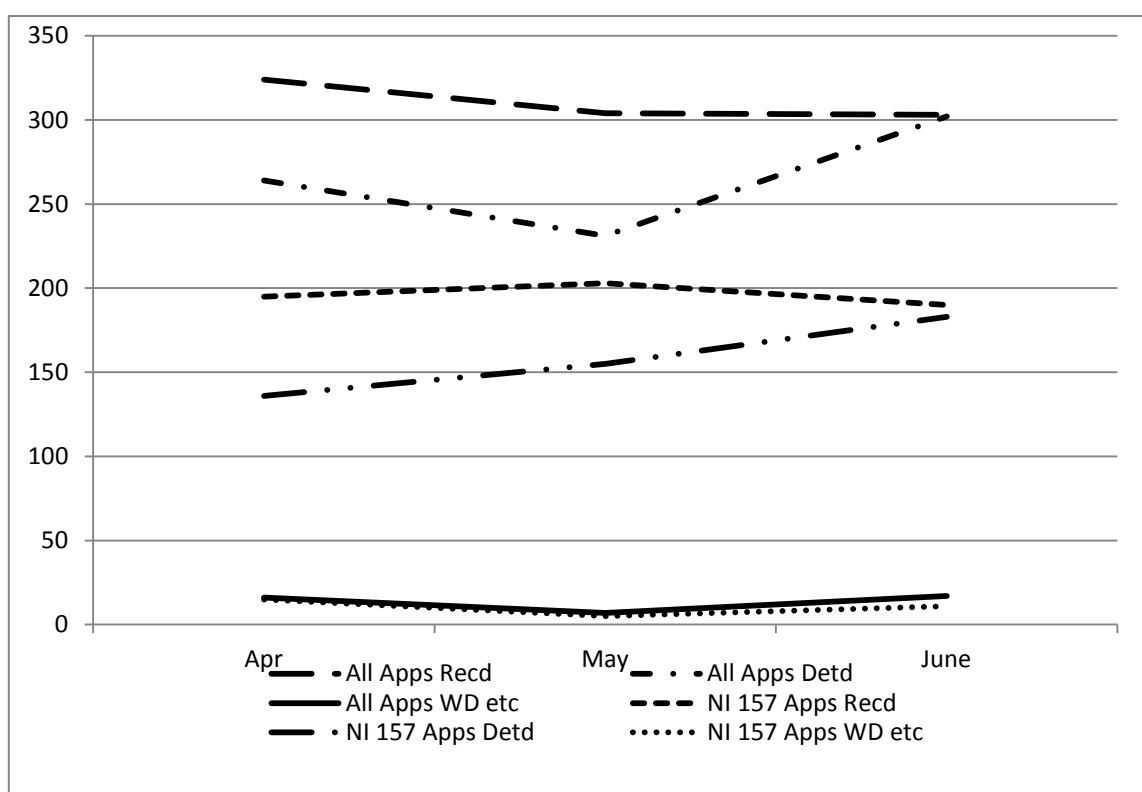
Ensuring that the quality of work produced by our planning staff is also a priority that often conflicts with the requirement to determine applications quickly. The government report on the number of decisions overturned at appeal and AVDC's record in this area is strong. We are committed to ensuring that the delegated powers given to officers to make planning decisions (without the need to go to committee) are given appropriately to planners who are ready for the responsibility. As we have many planners who have joined AVDC recently, a challenge to our performance has been ensuring these officers have the required skills and knowledge to operate with full delegation. Progress is being made in this area but it remains a serious challenge for performance of the development management teams.

Although new planners do take time to learn local policies and procedures, they also bring with them a wealth of knowledge about more efficient ways of operating, different working practices and generally a different perspective which is warmly welcomed. Planning is a diverse industry and the management team has been impressed with the quality and attitude of the new staff joining the authority, at all levels from graduate through to principal.

Section 1: Applications received and determined

Our application caseload comprises applications which form the basis for our performance measured against the Government performance target NI157 and other applications which are excluded from these categories and relating to proposals amongst which are applications from the County Council, Notifications for Agricultural, Telecommunications and works to trees. This is set in the context of the rolling 12 month period.

Applications Received and Determined

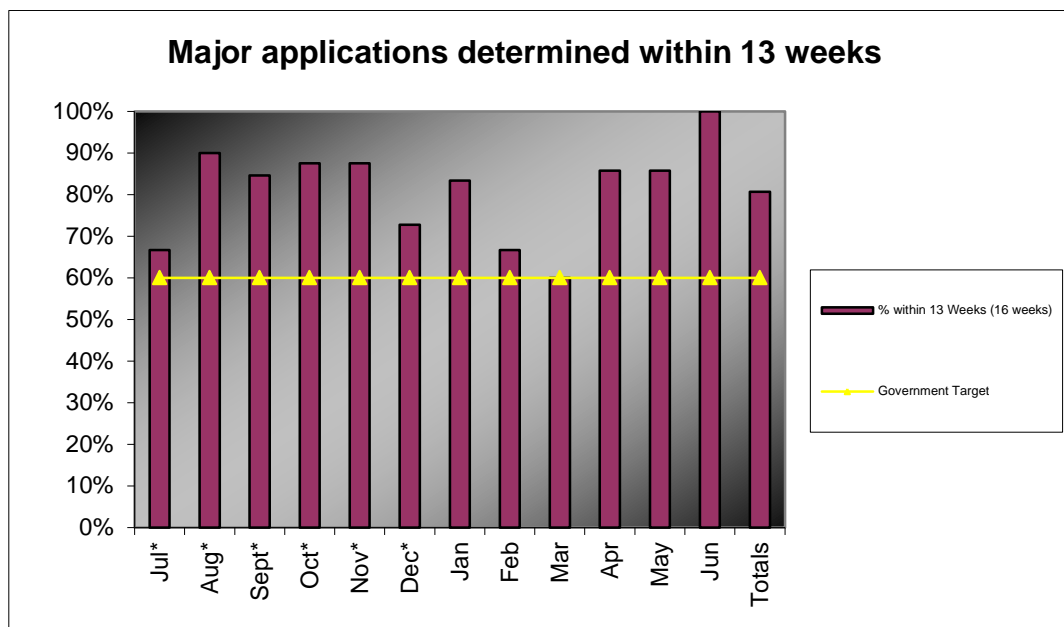


	Apr	May	June
All Apps Recd	324	304	303
All Apps Detd	264	231	302
All Apps WD etc	16	7	17
NI 157 Apps Recd	195	203	190
NI 157 Apps Detd	136	155	183
NI 157 Apps WD etc	15	5	11
All O/Standing			
NI 157 O/Standing	674	717	713

Section 2: NI 157 – Speed of Determination of applications

Introduction

This section sets out information regarding our performance in speed of decision for each of the 3 categories of applications, which are measured against the performance target – NI157 (a) major, (b) minor, and (c) other.



	Jul*	Aug*	Sept*	Oct*	Nov*	Dec*	Jan	Feb	Mar	Apr	May	Jun	Totals
Number of Major Applications Decided	6	10	13	8	8	11	6	3	10	7	7	4	93
Number within 13 Weeks (16 weeks) inc. Ext of time*	4	9	11	7	7	8	5	2	6	6	6	4	75
% within 13 Weeks (16 weeks)	67%	90%	85%	88%	88%	73%	83%	67%	60%	86%	86%	100%	81%
Government Target 50%, AVDC target 60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%

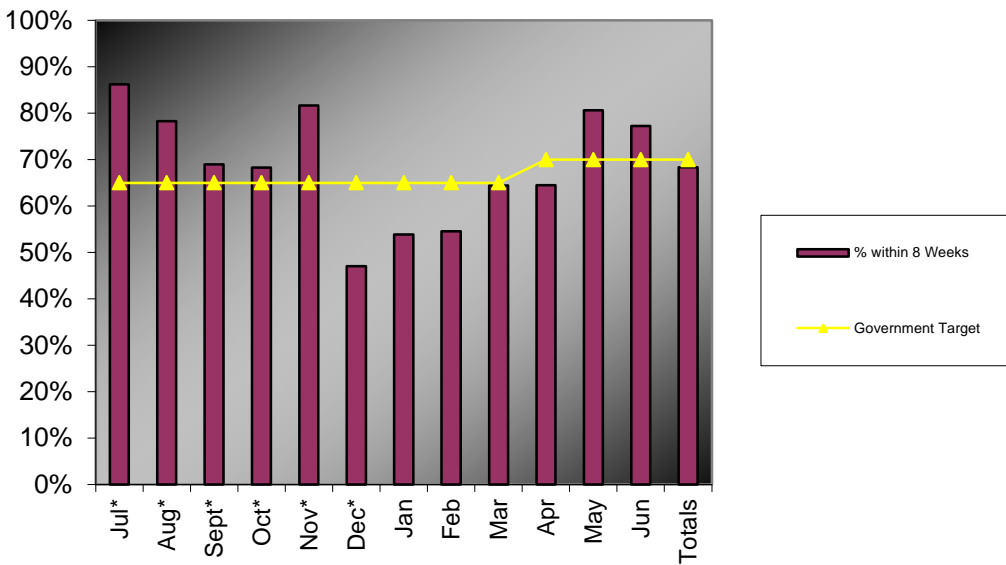
*Including extensions of time & PPAs

The quarterly performance achieved are:

April – June 2018: 89%

Rolling 2 year average: 78%

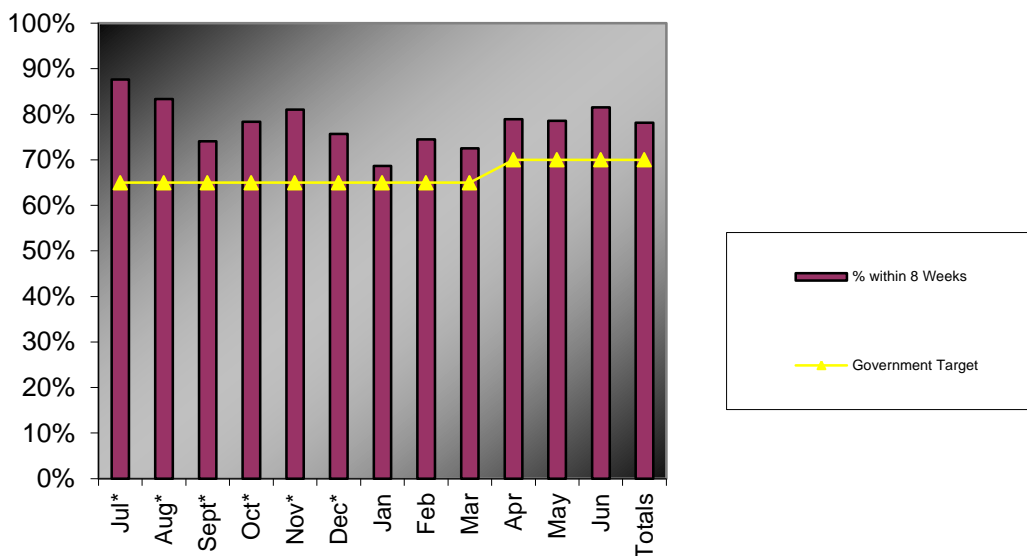
Minor applications determined within 8 weeks



	Jul*	Aug*	Sept*	Oct*	Nov*	Dec*	Jan	Feb	Mar	Apr	May	Jun	Totals
Number of Minor Applications Decided	29	46	29	41	49	51	39	33	45	31	31	44	468
Number within 8 Weeks inc. Ext of time*	25	36	20	28	40	24	21	18	29	20	25	34	320
% within 8 Weeks	86%	78%	69%	68%	82%	47%	54%	55%	64%	65%	81%	77%	68%
Government Target	65%	65%	65%	65%	65%	65%	65%	65%	65%	70%	70%	70%	70%

*Including extensions of time

Other applications determined within 8 weeks



	Jul*	Aug*	Sept*	Oct*	Nov*	Dec*	Jan	Feb	Mar	Apr	May	Jun	Totals
Number of Other Applications Decided	105	108	104	111	116	107	99	102	91	95	112	130	1280
Number within 8 Weeks inc. Ext of time*	92	90	77	87	94	81	68	76	66	75	88	106	1000
% within 8 Weeks	88%	83%	74%	78%	81%	76%	69%	75%	73%	79%	79%	82%	78%
Government Target	65%	65%	65%	65%	65%	65%	65%	65%	65%	70%	70%	70%	70%

For minor and other applications the government previously had no target and so the target of 80% shown was set internally by AVDC. From 1 April 2017 a government target of 65% has been set for minor and other applications increasing to 70% from 1 April 2018.

For the quarter April to June 2018 we achieved

Minors: 75% within the time period against a target of 70%

Others: 80% against a target of 70%

Joint minors and others: 79% against a target of 70%

Joint rolling 2 year average: 78% against a target of 70%

Appendix 1 details the Major applications determined in the quarter.

The first planning authorities subject to the Government's "special measures" regime for under-performing authorities were designated in October 2013, and performance data was published by the Department for Communities and Local Government (DCLG). Designations will be reviewed annually. Poorly performing authorities will be "designated" based on speed and quality:

- * Speed: less than 40% of majors determined within 13 weeks averaged over a two year period; or within such extended period as has been agreed in writing between the applicant and the local planning authority.
- * Quality: 20% or more of major applications that have been overturned at appeal (appeals allowed) over a two year period.

The government have announced new government targets increasing those on speed for majors to 50% in 2017 rising to 60% for 2018 based on the previous 2 years October to September. They have combined minors and others into a non major category with a target of 65% in 2017 rising to 70% for 2018 over this 2 year period. The quality targets will be 10% applications that have been overturned at appeal (appeals allowed) over a 2 year period.

Authorities could be designated on the basis of either criteria or both. The current performance over this 2 year period exceeds the threshold for speed and is less than the threshold for quality and thus does not fall within the poorly performing designation.

Section 3: Appeals against refusal of planning permission

Introduction

This section deals numerically with our performance in relation to appeals against refusal of planning permission. Whilst there is no government performance target a benchmarking measure is that we should seek to achieve success in 65% or more of appeals against planning decisions.

Determined	Dismissed	8
	Allowed	3
	Withdrawn/NPW	1
	Split	0
	Turned Away	0
	Varied	0

Costs	Against AVDC
	For AVDC

*Split decisions are counted as an Allowed appeal

In the quarter between April and June a total of 15 appeals were determined, 12 of which were against refusals of planning permission. Of the 12 appeals against refusals of planning permission which are used for reporting purposes 25% were allowed which is below the Council's target of not more than 35% appeals allowed.

Attached at Appendix 2 is a list of all of the appeal(s) which are used for reporting purposes against refusals of planning permission that were allowed. As there are a large number of appeals a summary on all has not been provided. There is a summary on some highlighted for awareness and learning points.

The government statistics published in August 2017 for quality show that the percentage of major applications that have been overturned at appeal is 2.4% and that for minor and other developments overturned at appeal is 1.1% for AVDC during the period of 24 months from July 2014 to June 2016. This is well below the governments threshold of 10% overturned for quality.

Section 4: Enforcement

Introduction

This section details statistics relating to Enforcement matters and details the numbers of complaints received, cases closed together with the number of cases which have led to Enforcement action. Enforcement appeals are also dealt with separately and performance can be assessed accordingly.

Cases on hand at beginning of quarter	441	Cases on hand at end of quarter	473
Cases Opened	151	No of Cases closed	119
No. of Enforcement Notices Served	0	No. of Temporary Stop Notices Served	0
No. of Stop Notices Served	0	No. of Breach of Condition Notices Served	0
		No. of Planning Contravention Notices Served	0

In the 3 month reporting period 116 cases were resolved as follows:

Performance Figure	Notes
24% of complaints were resolved within 14 days	Generally more straightforward cases where a yes/no decision is required following initial evidence gathering
41% of complaints were resolved within two months.	Normally requiring more extensive evidence gathering and/or consultations involving 3 rd parties.
61% of complaints were resolved within 5 months.	On top of the actions identified above these cases normally require some formal action or an application for retrospective planning permission.
Remainder	Where formal legal action is involved it can take many years to resolve complaints and can include appeals and further judicial review.

Enforcement Appeals

Lodged	PI (Public Inquiry)	0	Determined	Allowed	0
	IH (Hearing)	1		Dismissed	0
	WR (Written responses)	0		W/Drawn	0
	Total	0		Varied	0
				Total	0
Costs	For AVDC	0		Against AVDC	0

Enforcement Summary

The volume of planning enforcement complaints received is high and increasing and geographically reflects the areas where the delivery of development is highest. The service has seen a 27% increase in the number of complaints received over the last 3 years and the current team caseload is in the region of 450 open cases. Our response to complaints is prioritised based on the level of harm the suspected breach is causing. This means that 'low' category complaints will take longer to resolve than those that are causing a 'high' level of harm. A number of our Planning Enforcement Officers have recently moved on to other roles within the Council and elsewhere. We are currently actively recruiting new staff and have engaged additional temporary staff resources to help deal with demand during this period.

Section 5: Other Workload

Introduction

In addition the teams have dealt with the following:-

Discharge of Conditions and non material amendments.

Quarter – Out 145

Chargeable Pre-Application Advice, including commercial

Quarter - Out 143

Non chargeable Informals

Quarter - Out 24

Conclusion and Recommendation

It is recommended that the Committee **NOTE** the report.

This report intends to give details of factual information of service area performance, based on statistical data we hold.

It is hoped that Members find the report's content helpful.

Major Applications Determined: Quarter April to June 2018

Bold numbers denote applications determined outside the target period. Performance for this quarter is 89% which is above target; * denotes those applications that had an extension of time request agreed. The small number of applications mean that performance is volatile and in this quarter involved applications where securing the right outcome outweighed the need to meet targets and applications where the revocation of the regional spatial strategy required a reassessment of the scheme.

Reference	Off	Received	Proposal	Address	Valid	Decision Date	Decision
17/03745/APP*	SCOHAC	26/09/2017	Erection of an additional storage building for raw materials and relocation of the waste water lagoon	Sugarich (Brackley Dryers) Biddlesden Road Westbury Buckinghamshire	18/10/2017	25/04/2018	AVDC application - Approved
17/02615/ADP*	NKJ	28/07/2015	Approval of reserved matters pursuant to outline permission 03/02386/AOP relating to the construction of the link road from Parcel HW14 to Berryfields Lane (adjacent to the second primary school site) and ancillary works.	Berryfields Mda Bicester Road Quarrendon Buckinghamshire	18/08/2015	24/04/2018	Details Approved
17/04039/ADP*	SP	20/10/2017	Approval of reserved matters pursuant to outline permission 14/01010/AOP relating to access, appearance, landscaping, layout and scale for a residential development of up to 135 residential dwellings.	Former Bpc Hazells Tring Road Aylesbury Buckinghamshire	25/10/2017	23/04/2018	Details Approved

Reference	Off	Received	Proposal	Address	Valid	Decision Date	Decision
17/01840/AOP*	CLB	12/05/2017	Outline application for mixed use development comprising education including on site student accommodation (Use class D1 and C2), one hotel and short stay accommodation (C1), brand centre facilities supporting motorsport activities (sui generis), sports and leisure/adrenaline facility and family entertainment centre (D2), other motorsport related activity (sui generis). Parking and access arrangements, infrastructure including highways and utilities improvements. Associated landscaping and other ancillary works. (Application accompanied by an Environmental Statement)	Silverstone Motor Racing Circuit Silverstone Road Biddlesden Buckinghamshire NN12 8TN	31/05/2017	17/05/2018	Outline Permission Approved
17/03068/APP*	JAD	19/08/2016	Erection of a building for indoor equestrian exercise and storage of associated tack on land previously used for outdoor equestrian exercise and grazing.	Hollington Grange Grove Farm Lane Hollington Soulbury Buckinghamshire LU7 0DN	23/08/2016	14/05/2018	Refused
17/02222/APP*	NBU	11/06/2017	Redevelopment of the site to provide 14 residential dwellings, including access and parking (Revised Plans and Supporting Documentation submitted w/e 26/01/2018).	Land Rear Of Good Intent Edlesborough Buckinghamshire	19/06/2017	30/05/2018	Refused
17/01756/APP*	SP	09/05/2017	Erection of ten dwellings.	Land Rear Of 197 - 207 Aylesbury Road Wendover Buckinghamshire HP22 6AA	11/05/2017	20/04/2018	Refused

Reference	Off	Received	Proposal	Address	Valid	Decision Date	Decision
18/00216/APP*	JASTRA	18/01/2018	Erection of 20 no. two bed flats	Station House Tingewick Road Buckingham Buckinghamshire MK18 1ST	12/02/2018	14/05/2018	Refused
16/02641/APP*	JASTRA	18/07/2016	Demolition of existing Class B2 warehouse and construction of 50 residential units with access and associated parking	Hamilton Precision Ltd 10 Tingewick Road Buckingham Buckinghamshire	21/07/2016	20/04/2018	Approved
17/01841/ADP*	JASTRA	08/05/2017	Approval of reserved matters of appearance, landscaping, layout and scale relating to Phases 1 and 2 of outline permission 14/02666/AOP comprising 147 dwellings (including affordable and age-restricted dwellings), along with public open space, LEAP/NEAP, car and cycle parking, drainage and associated works.	Land At Haddenham Glebe Stanbridge Road Haddenham Buckinghamshire	08/05/2017	10/05/2018	Approved
17/01940/APP*	NKJ	19/05/2017	Erection of part two storey, part three storey 62 bed care home with associated access, parking and landscaping.	Land At Lace Hill London Road Buckingham Buckinghamshire	23/05/2017	27/04/2018	Approved
17/02012/APP*	NBU	24/05/2017	Development of land into a new motor dealership including erection of a new dealership facility comprising of showroom with administration offices, workshop with a MOT facility and associated parking, external display and valeting bays.	Land To East College Road North Aston Clinton Buckinghamshire	08/06/2017	11/05/2018	Approved
17/02994/APP*	JAMWIL	04/08/2017	Demolition of all existing buildings and structures and erection of 23 residential dwellings with associated landscaping, infrastructure and car parking.	Park Farm Church Lane Aston Clinton Buckinghamshire HP22 5HJ	04/08/2017	04/04/2018	Approved

Reference	Off	Received	Proposal	Address	Valid	Decision Date	Decision
17/04105/ADP*	SCOHAC	26/10/2017	Approval of reserved matters pursuant to outline permission 15/03814/AOP relating to appearance, landscaping, layout and scale for a residential development of up to 40 residential dwellings.	Land At Leighton Road Wingrave Buckinghamshire	26/10/2017	16/06/2018	Approved
17/03384/AOP*	NBU	31/08/2017	Outline application (including layout, scale and access) for a residential development of 21 dwellings, with associated car parking, landscaping and formation of new access	Land Adjacent To Bushmead Road Whitchurch Buckinghamshire	31/08/2017	01/06/2018	Approved
18/01250/APP	DW	09/04/2018	Creation of reptile embankments, hibernaculum and new natural habitat.	Land West Of Sandhill Road Middle Claydon Buckinghamshire MK18 2LD	10/04/2018	25/06/2018	Approved
18/01251/APP	DW	10/04/2018	Creation of reptile embankments, artificial badger setts, hibernacula and new natural habitat.	Land East Of Queen Catherine Road Steeple Claydon Buckinghamshire MK18 2ES	10/04/2018	25/06/2018	Approved
18/00951/APP*	DW	15/03/2018	Creation of two ponds, earthworks, hibernaculum, and new natural habitat	Land East Of Clare Farm Winslow Road Little Horwood Buckinghamshire MK18 3JW	20/03/2018	29/05/2018	Approved

Appeal performance – Quarter April to June 2018

In the quarter between **April** and **June** a total of 15 appeals were determined, 12 of which were against refusals of planning permission. Of the 12 appeals against refusals of planning permission which are used for reporting purposes 25% were allowed which is below the Council's target of not more than 35% appeals allowed.

A list of all the reportable allowed appeals in this quarter is set out below.

Application Reference: 16/00847/APP	Decision: Committee
Site: West End Farm, Brackley Road, Buckingham, Buckinghamshire, MK18 1JA	
Development: Demolition of existing buildings and erection of 72 extra care units, ancillary community facilities, including ancillary guest room, parking, landscaping and associated works.	
Note:	

Application Reference: 17/02448/APP	Decision: Delegated
Site: 16 Meadow Gardens, Buckingham, Buckinghamshire, MK18 1BJ	
Development: Erection of a 6ft close boarded and 4ft picket fence around the front of property - Retrospective	
Note:	

Application Reference: 17/03270/APP	Decision: Delegated
Site: The Old Piggery, The Common, Preston Bissett, Buckinghamshire	
Development: Demolition of existing buildings and erection of three dwellings including alterations to existing access	
Note:	

AVDC Corporate Risk Register

Last review date: 17 September 2018

Ref	Risk Owner	Delegated Manager	Risk	Potential Consequences	Inherent Risk Rating			Capacity to Manage Risk	Existing Controls	Residual Risk Rating			DoT (up = increasing risk)	Proposed Actions/Comment	Completion Date	Connected Vision
					Likelihood	Impact	Overall Risk Rating			Likelihood	Impact	Overall Risk Rating				
1	Andrew Small	Strategic Board	Fail to achieve the Medium Term Financial Plan. Annual sector budgets are not delivered.	Failure to meet statutory obligations and business objectives; Pressure on budgets increase; Inefficient and ineffective use of resources; Poor publicity and reputation damage; Inability to meet the demands of the future and ensure continuous improvement of services.	4	5	20	Moderate	Balanced MTFP to 2021/22 (approved Feb18). Strategic Board monitoring the budget; regular reporting through Cabinet. Quarterly financial digest. Budget managers review cost centre reports.	1	4	4	↑	Detailed budget process for 2019/20 will start in September which will involve revisit of MTFP. Previous assumptions, pressures and savings will be evaluated and may be subject to change	Nov-18	Financially Fit
2	Andrew Grant	Strategic Board	Organisational culture does not enable the strategy (Connected Vision, Connected Knowledge & commercial targets). Behaviour framework and Values are not embedded. Lack of clarity on AVDC "Brand" and what a "Commercial Culture" means.	Failure to achieve strategy, lack of staff commitment to implement change, poor morale & performance.	3	3	9	Moderate	Behavioural Framework used for candidate selection and case studies being refreshed and new "cloud" introduced REACH performance development becoming embedded and REACH toolkit produced. This includes building behaviours more formally into the REACH process. Employee Relations - Collaboration and healthy challenge with trade union and staff representatives and challenges addressed in partnership. New E'ee reps added to current group Wellbeing - Outplacement scheme implemented. Coaching programme in place. Connected Working programme linked with other projects to support CK and IT Strategy. Regular staff comms from Directors to engage on corporate vision and direction.	2	3	6	↓	1. People & Culture Strategy developed and due to be communicated as part of wider corporate communication 2. Connected Working Strategy development is progressing with project briefs completed. 3. Procuring new HR system which will address user and reporting issues (go live Nov18) (see risk below) 4. Focus on embedding behaviours, training and induction Note - ongoing uncertainty over Unitary decision impact on staff - risk is reflected under specific MLG risk #21	July 18 July 18 Oct 18 Sept 8	Commercially Minded
3	Andrew Grant	Maryvonne Hassall	Failure to deliver the Connected Knowledge Strategy and achieve the Council's Digital objectives. Lack of alignment to wider strategic objectives. New and existing systems/processes are not fully integrated.	Operational - New systems lack robust business processes and controls; poor integration between systems; failure to comply with GDPR and other legislative requirements exposing the Council to potential breaches; Data sharing of personal & sensitive information, cyber risk. Financial - VFM & unbudgeted costs Reputational - damage to reputation and standing as a "Digital Council", relationship with suppliers, disengage community through lack of access to digital services. Staff - capacity issues to implement changes whilst still delivering "day job"	3	4	12	Moderate	CK Strategic Board set up to ensure alignment and oversight (Sept 17). Funding agreed for 2018/19 Programme governance arrangements, steering group, regular reporting to CAVDC Board	2	4	8	→	Include CK in 2018/19 internal audit work programme		Customer & Innovation
4	Andrew Grant	Strategic Board	Portfolio of commercial (profit generating/cost recovery) activities and opportunities fails to produce the return on investment needed to support a sustainable Council.	Failure to meet statutory obligations and business objectives; Pressure on budgets increase; Inefficient and ineffective use of resources; Poor publicity and reputation damage; Inability to meet the demands of the future and ensure continuous improvement of services.	4	3	12	Moderate	"Commercial Oversight" group established to monitor activity and income. Income and costs included in budget and monitored. SEED strategy and business plan in place. KPIs to measure and track performance.	2	3	6	→			Financially Fit
5	Andrew Small	Teresa Lane	Fail to deliver the Commercial Property Investment strategy and achieve planned return on investment.		4	4	16	Limited	Property Investment Strategy approved by Cabinet Sept 17. Delivery of strategy deferred to take account of consultation and subsequent revised Prudential Code. Meeting held with Montague Evans to review strategy in light of the new Code and strengthen governance arrangements. Proposed that most roles and tasks relating to delivery will be outsourced for at least the first year.			TBA	New	Group Leaders meeting 31 September. Board to be nominated. The Board will then set the Governance and Reporting arrangements for the investment portfolio.		Commercially Minded
6	Andrew Small	Teresa Lane	Council owned or partly owned companies (AVE & AVB) fail to achieve the Council's objectives. Inadequate governance arrangements over Companies.	Inability to achieve expected distribution from the partnerships and grow AVDC's investments; security of loans. Satisfaction/relationship with existing customers/community deteriorates; Reputational damage to Council and Members if high profile ventures fail; negative impact of "commercial" decisions on Council's wider strategic & community objectives.	4	4	16	Moderate	Information to be included in Qly Digest to reflect all investments & performance. AVDC role of Corporate Commercial Strategy Manager appointed to ensure oversight/coordination of commercial activities. AVE - AVE 18/19 business plan went to Scrutiny & Cabinet Jan18. Robust challenge and stretch targets to deliver. Held Risk Workshop with AVE (Jan17) and developed risk register. Independent legal advice taken on Members' Agreement. Partnership Agreement in place, business plan process in place and plan subject to scrutiny and cabinet approval. AVDC representatives on AVE abreast of issues. On-going monitoring and monthly meetings taking place. Asset Managers have been directly advised of performance concerns. AVB - sale of AVB business completed 30.12.17.	2	3	6	→	AVB - Audit Committee approved independent review report and recommendations in May18. Recommendations to be overseen by Cross Party Working Group (1st meeting 10 Sept). Warranty period expires March 2019. AVE - Internal audit review in 2018/19	Dec 18 by Mar 19	Financially Fit
7	Tracey Aldworth	Isabel Edgar Briancon	Waste Transformation Programme fails to deliver commercial, customer, H&S, Environmental objectives.	Inability to deliver services to public; death or injury to public or staff; regulatory fines; criminal prosecution or civil litigation; reputational damage; financial cost.	3	4	12	Moderate	Programme of works to March 2019 mapped out. Dedicated programme manager. Operations H&S officer in post. Monthly Programme Board oversight; quarterly updates to Strategic Board	2	3	6	↓	Majority of programme will be completed Nov 18. Continue to monitor progress on CRR until then. Currently on target.	Nov-18	Customer & Innovation
8	Andrew Small	Teresa Lane / Isabel Edgar Briancon	Fail to manage and deliver major capital projects on budget and to time - Pembroke Road redevelopment	Costs exceed budget; inability to expand services and generate commercial income (e.g. HGV MOTs); damage relationships with future/existing tenants; Reputation damage	3	4	12	Substantial	Major Capital Projects Member group – Highlight reports, challenge from legal, finance and risk; Project teams with external contractors in place with established governance processes.	2	3	6	↓	Budget approved and tenders received are within budget. Planning approval obtained.		Commercially Minded
9	Andrew Small	Teresa Lane	Fail to manage and deliver major capital projects on budget and to time - The Exchange	Costs exceed budget; damage relationships with future/existing tenants; Reputation damage; impact on wider Town Centre Regeneration programme and ability to enhance existing assets.	3	3	9	Substantial	Major Capital Projects Member group – Highlight reports, challenge from legal, finance and risk; Project teams with external contractors in place with established governance processes.	3	3	9	→	Public realm work delayed approx. 2 months - expected completion end Nov18 - uncertainties for prospective tenants and pre-Christmas marketing. Softening of F&B market - challenges in letting vacant units. More flexible terms and targeting of operators with small but expanding portfolios. Financial impact (2019/20) being monitored through budget pressures		Commercially Minded

Ref	Risk Owner	Delegated Manager	Risk	Potential Consequences	Inherent Risk Rating			Capacity to Manage Risk	Existing Controls	Residual Risk Rating			DoT (up = increasing risk)	Proposed Actions/Comment	Completion Date	Connected Vision
					Likelihood	Impact	Overall Risk Rating			Likelihood	Impact	Overall Risk Rating				
10	Strategic Board	Jeff Membery/Teresa Lane/Isabel Edgar Briancon	Fail to recruit Technical Professional Specialists (Planning, IT, Property). Reliance on use of consultants / agency and not effectively managed.	Impact on service delivery; Increase in staff stress levels; financial cost of agency staff.	5	3	15	Moderate	Active recruitment ongoing with a range of strategies: Graduate Fairs, review of reward packages etc. Working with County and Districts on opportunities for Planning officer recruitment. Use of contractors to cover permanent vacancies. Contractor (Agency) costs are monitored monthly.	2	2	4		Currently have 5 technical specialist vacancies that we haven't been able to recruit (1xIT, 2xBC, 1xPL, 1xPrpty). IR35 review group established to monitor ongoing compliance.	Ongoing Dec 18	Financially fit
11	Tracey Aldworth	Will Rysdale	Fail to deliver a sound Vale of Aylesbury Local Plan; Strategic partner objections	Opportunistic planning applications; Loss of local control; Government send in own planning team; Loss of New Homes Bonus.	3	3	9	Moderate	VALP approved by Council 18 October. Project manager in place. Weekly action plans and progress monitoring. Regular engagement and communication with CLG to discuss timeframes. Early engagement of QC. Support from the Planning Officers Society; Advice from Planning Inspectorate; Working with the Bucks Planning Officers Group.	2	3	6		Examination held. Awaiting Planning Inspectors report.	TBA	Community Focused
12	Andrew Small	Isabel Edgar Briancon	Health & Safety - Non compliance with Fire and Health and Safety legislation. Failure to provide a safe place for staff and visitors on AVDC property.	Death or injury to public or staff; criminal prosecution or civil litigation; Service stopped; Loss of public trust; Action by Health and Safety Executive or Bucks Fire and rescue, e.g. fine up to £4m, corporate manslaughter charges; Insurance claims/ financial loss	2	4	8	Moderate	Revised H&S policy & strategy approved Sept 17. Fully staffed: Corporate H&S Manager, part-time H&S Advisor, Operations H&S Officer at Pembroke Road. Fire Risk Assessments performed for all property (Apr17) and reviewed (Dec17). Strategic Health and Safety Board monitor risk and performance. H&S Committee meets every 3 mths. Management of contractors procedure in place and training provided. Ongoing training planned throughout 2018. New M&E service provider selected (Apr18) which will see a more uniformed and monitored approach to pre-planned maintenance and reactive work	2	3	6		1. New lone working devices and 3 year contract purchased. Roll out to be completed end July 2018. Management of legionella currently being reviewed in line with new M&S service contract. Statutory programme to be followed - ongoing. 2. Sector Managers to receive IOSH Working Safely accreditation during 2018 to provide competency for carrying out their own risk assessments and risk profiling 3. Ongoing work following assessment visit in April from Counter Terrorism Prevention Advisor (CTPA) about the new CSC, safety of staff and general security of the building. Report is expected and then full review risk assessments, policy and procedures. 4. Internal Audit in progress - due Oct 18	Jul 18 Dec 18 TBA	Financially fit
13	Andrew Small	Will Rysdale	Fail to plan for a major or large scale incident (accident, natural hazard, riot or act of terrorism). Risk to safety of public & staff	Public safety. Service delivery disruption and impact on the Council's ability to deliver critical services. Reputational damage to the council.	2	4	8	Moderate	Community Safety Manager appointed (Apr17) with responsibility for Emergency Plan and Community Resilience. Public Events Management steering group set up & Duty holders established. EP & BC Steering Group established to ensure coordination. Resilience workshop with Local Resilience Forum to focus on long term response planning. Thames Valley Local Resilience Plan in place, with AVDC representation at District level.	2	4	8		Events Safety Management Framework to be agreed to ensure consistent approach and accountability. To reflect learnings from Whizzfizz and Waterside Festival.	Nov 18	Community Focused
14	Andrew Small	Isabel Edgar Briancon	Business interruption affecting the Council's resources and its ability to deliver critical services. Loss of IT due to failure or cyber attack.	Service delivery disruption and impact on the Council's ability to deliver critical services. Reputational damage to the council.	2	4	8	Moderate	EP & BC Steering Group established to ensure coordination. Increased use of cloud technology, less paper documents.	2	4	8		New manager appointed (May18) to carry forward all the BCPs prepared and ensure fit for purpose. Meeting of the EP and BCP board demonstrated a need for closer integration of the plans. A schedule of verifying and prioritising plans over the next 3 months. Desktop exercise will be run to test strength of plan.	Oct 18	Community Focused
15	Andrew Small	Andy Barton	Information Governance - Non compliance with legislation, a significant data breach, Inappropriate access, corruption or loss of data.	Exposure of confidential information or corruption of data; Prosecution or fine for statutory breach; Loss of public trust	3	4	12	Substantial	Data Governance Officer with responsibility for DP and info governance. IGG monitors specific risks and has its own action plan. Information Management Strategy has been revised in readiness for GDPR. Mandatory training; Investigations into data breaches. Periodic data sweep. HB Law supporting. Information Asset Registers, identified Information Asset Owners, retention schedules in place. Privacy Impact Assessments for all projects	2	3	6		GDPR programme targets achieved for compliance by May2018. Post GDPR programme to complete remaining tasks, including full policy review and breach procedures. Dual factor sign in roll-out in progress, almost finished. Programme for Member email usage compliance in progress.	Dec 18 Sep 18	Financially fit
16	Andrew Grant	Will Rysdale	Safeguarding arrangements are not adequate to effectively address concerns about vulnerable adults & children who may be at risk of significant harm. Requirements of "Prevent" are not implemented and applied. Internal processes and controls are inadequate to effectively prevent dangerous individuals from gaining access to opportunities where that may place vulnerable adults and children at harm (e.g. Taxi licensing).	Failure to refer concerns to the appropriate agency for investigation; Damage to reputation; Harm to vulnerable adult or child as a result of failure to refer. Reputational damage to the council should perpetrator of terrorism be living or radicalised within the borough. A known sex offender is not prevented from having access to vulnerable adults and children.	2	4	8	Moderate	Internal AVDC safeguarding board with membership across all sectors. Mandatory training rolled out to all staff. Use self reporting template/RAG framework (S11); Meeting with Chair of Bucks safeguarding board – questions asked about current safeguarding arrangement and recommendations made; AVDC Chairs Community Safety Partnership (Prevent). Check applications for taxi licenses with disclosure Scotland. Whistleblowing policy in place and Managing volunteers policy in place. Members training on Prevent (WRAP) (Oct17). Internal audit (May17).	2	3	6		-Training sessions to be provided to elected members. -Training needs assessment for different roles to be completed -New starter mandatory induction training - IT solution to monitor & enforce completion	Jul 18 TBA	Community Focused
17	Andrew Small	Isabel Edgar Briancon	Failure to manage a major partnership (e.g. LEAP, Enterprise Zones) or a significant council contractor.	Financial Loss; Damage to Reputation; Impact on service provision; Unable to achieve Commercial AVDC objectives.	4	3	12	Substantial	Proforma high and low value contracts T&Cs developed. Contracts register developed and risk assessment of portfolio completed. Contracts & Procurement Manager & 2 officers in post. Silverstone Park Enterprise Zone Infrastructure funding has business rates retention recovery plans in pace.	3	3	9		1. Performance issues with Street Cleaning Contract - Improvement plan is in place for Contractor. New Manager appointed by SUEZ to oversee rest of the contract. Improvements to H&S already being seen. 2. Sign off of the approach to procurement and purchasing criteria. Training being roll out for managers, and a how to guide on connect. New set of KPI's being reported Quarterly to monitor contracts and procurement across AVDC. Contract & procurement Internal Audit in progress - due Oct18	Nov-18	Financially fit
18	Andrew Small	Andy Barton	Fraud, financial impropriety or improper business practices. Potential for fraud, corruption, malpractice or error, by internal or external threats.	Immediate financial loss; reputational harm; inquiry costs and penalties.	2	3	6	Substantial	Compliance team focus on CT liability, Housing Benefit, Tax Reduction entitlement, exemptions and discounts. New Fin Regs & Procedures update financial controls. Internal audit reviews and oversight of fraud action plan. Fraud Awareness session provided at Manager Training.	1	3	3		Fraud polices to be reviewed. Finance processes training to be reviewed	Jul-18	Financially fit
19	Andrew Small	Andy Barton	Equalities - Decisions taken by the Council do not consider equalities resulting in Judicial Review and other litigation	Reputational risk to the authority and inability to progress with strategic objectives of the organisation; potential cost to the Council if decisions made against the authority.	2	3	6	Moderate	Equalities steering group. Equality Impact Assessments performed. Annual Equalities report to Cabinet Jan18Post restructure, AVDC profile has been reviewed and is broadly consistent.	1	2	2		P&C Manager coordinating and setting out action plan	TBC	Community Focused

Ref	Risk Owner	Delegated Manager	Risk	Potential Consequences	Inherent Risk Rating			Capacity to Manage Risk	Existing Controls	Residual Risk Rating			DoT (up = increasing risk)	Proposed Actions/Comment	Completion Date	Connected Vision
					Likelihood	Impact	Overall Risk Rating			Likelihood	Impact	Overall Risk Rating				
20	Andrew Grant	Tracey Aldworth	Modernising Local Government decision: Disruption to service delivery due to resource detraction from day-job and ongoing uncertainty impacting all areas incl. retention and recruitment, procurement, working relationships across all stakeholders.	Adverse impact on service delivery due to deflection of resource to reorganisation; loss of key staff; inability to attract staff during time of uncertainty; uncertainty over future direction impacts all areas of activity.	5	4	20	Moderate	Minded to decision announced 12 Mar in support of a single unitary for Bucks. Ongoing comms to update members and staff. Prep work done to enable timely response to decision.	5	4	20	➡	Representation from 4 districts submitted to Secretary of State. Mgr briefings and staff comms, message sent to recruitment applicants		Community Focused
21	Tracey Aldworth	Jeff Mambery	Failure to provide Universal Credit applicants with the support needed to successfully claim; could result in increased rent arrears locally and subsequent pressure on homelessness services	Vulnerable people are not adequately supported; increased homelessness; legal challenge / appeals; Reputational and political risk; Financial cost; inefficient use of resources.	3	3	9	Moderate	Training for legislation & process changes, member briefings, public awareness.	2	2	4	➡	Universal Credit comes in Sept 2018.		Community Focused
22	Tracey Aldworth	Will Rysdale	Failure to adequately plan in an appropriate timeframe for the next round of growth following adoption of VALP; including consideration of CaMKOX Corridor and need to meet updated Objectively Assessed Need housing targets included in the National Planning Policy Framework.	Expose district to "planning by appeal"; developer challenge; Government sanctions; lack of ability to secure strategic infrastructure.	3	3	9	Moderate	Working with other L.As. Council agreed to join Central growth Board	3	3	9	➡	Highways England announced Corridor B is preferred route for the proposed CaMKOX Expressway (12.9). Infrastructure grant bid for £200m. Exploring potential for growth deal with government to help secure funding for future growth. LEP review in progress. Potential impact of final unitary decision on growth strategy.		Community Focused
23	Andrew Grant	Will Rysdale	Inadequate working with stakeholders to ensure safety of residential buildings following Grenfell. Lessons learned from Grenfell are not implemented.	Death or injury to public; loss of public trust; damage to reputation	2	5	10	Substantial	Liaising with MHCLG, working with leaseholder and housing association	2	3	6	➡	Friars House in Aylesbury is over 18 meters tall and is fitted with ACM cladding. We are working closely with Moreland Estate Management, the Vale of Aylesbury Housing Trust (VAHT), Bucks Fire and Rescue and MHCLG to ensure the safety of residents.		Community Focused
24	Andrew Small	Andy Barton	Implementation of new HR & Payroll system may not go live with 100% accuracy.	AVDC staff will not get paid, or paid incorrectly. Provision of external service may be impacted; errors/inaccurate which may lead to reputational damage and potential loss of payroll customers. HR data may be incorrect for line managers and staff to use. People will therefore not trust the system. Could also impact the next stages of the project - T&A and Recruitment.	4	4	16	Substantial	Planned in parallel running for 3 months. Test data load before parallel running is being done. Close working with supplier. Joint ownership of risk & new resource to focus on client liaison.	3	3	9	➡	Weekly board meetings, Fortnightly with supplier (Inc MD of supplier). Detailed plans for AVDC elements of work. Temporary increases in available staff resource and prioritisation of work, with options for supplier to undertake more. Dedicated customer rep for customer accounts. daily project management contact between AVDC Project Managers and suppliers.	Apr-19	Financially Fit
25	Andrew Small	Andy Barton	Impact of BREXIT - financial, procurement, employment, regulatory, environmental, major projects//partnering arrangements	Impacts all areas of Council activities	4	4	16	Substantial				TBA	New	Detail risk register and action plan to be developed by working group - 1st mtg 20 Sept.	Ongoing	Financially Fit
26	Jeff Mambery	Henry Allmand	Deterioration of quality of planning service delivery, decisions and timeliness of response to applications; compounded by vacancies in the planning team (although reducing), reliance on consultants and the rate of growth within the Vale	Damage to reputation, customer complaints/appeals, status as Planning Authority.	4	3	12	Substantial				TBA	New	Planning performance report to Audit Committee on 8 October and committee to consider residual risk rating and actions; customer journey analysis, member case load, planning updates & communications etc.	Oct-18	Community Focused

Audit Committee
8 October 2018

INTERNAL AUDIT PROGRESS REPORT – OCTOBER 2018

1 Purpose

- 1.1 To receive the Internal Audit Progress Report of activity undertaken since March 2018.

2 Recommendations

- 2.1 The committee is recommended to note the progress report.

3 Supporting Information

- 3.1 This report provides an update on the progress made against the 2018/19 Internal Audit Plan and includes information on:
- Internal audit reviews completed and in progress
 - Changes to the 2018/19 internal audit plan
 - Implementation of agreed audit actions
- 3.2 The Committee requested that all internal audit reports are presented in full. These are included in Appendix 3.

4. Reasons for Recommendations

- 4.1 Ensuring a proper and effective flow of information to Audit Committee Members enables them to perform their role effectively and is an essential element of the corporate governance arrangements at the Council.

5. Resource Implications

- 5.1 There are no resource implications to report.

Contact Officer: Kate Mulhearn, Corporate Governance Manager (01296) 585724
Background papers: none



Internal Audit Progress Report

October 2018





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1. Activity and progress

The 2018/19 internal audit plan was approved by the Audit Committee in June 2018. A summary of the plan is included in Appendix 2. We monitor progress against the plan during the year and advise the Audit Committee of any changes.

Final reports issued since the previous Committee meeting

Name of review	Risk rating*	Date of final report	No of recommendations made*			
			 Critical	 High	 Medium	 Low
Corporate Health and Safety	Medium	27.9.18	-	-	3	2
Procurement and Contract Management	Medium	27.9.18	-	-	1	4

* See Appendix 1 for the basis for classifying internal audit findings and reports.

The full reports are attached in Appendix 3 and summarised below:

Corporate Health and Safety

This report is classified as Medium risk. We identified three medium and two low risk issues. The scope of our work was designed to measure against the requirements of the Health and Safety at Work Act 1974, and relevant associated regulations.

During 2017, resources to support health and safety activities were increased at both a corporate and operational level (Pembroke Road). Since then significant steps have been taken to improve and evidence the corporate approach to meeting all legal duties. Overall, we found procedures to be in accordance with the requirements and a number of areas of good practice were noted, in particular at the Waste and Operations site at Pembroke Road.

The report highlights where further work is required to strengthen controls as summarised below:

- We observed that an Event Safety Management Plan was in place for Council organised events which present a significant public safety risk. However, there has been a lack of clarity around roles, resources and accountability for completion of risk assessments and the level of health and safety support required. (Finding 1 – Medium)
- Health and safety risk assessments need to be completed across all areas of significant activity. Once complete, a corporate monitoring and review process is

needed to ensure the risk profile of the organisation is continually reviewed, activities assessed and appropriate action taken. (Finding 2 – Medium)

- A programme of health and safety training based on role requirements is needed to ensure that staff are aware of the latest health and safety issues. Training materials need to be developed in consultation with Learning and Development and a process established to ensure compliance can be monitored and reported. (Finding 3 – Medium)
- The accident and incident reporting system and health and safety KPIs should be further developed. (Finding 4 – Low)
- Policy governance requires improvement, including a framework to review all policies and ensure changes are appropriately approved and communicated. (Finding 5 – Low)

Procurement and Contract Management

This report is classified as medium risk. We raised one medium and four low risk issues.

The Council increased the corporate resource involved with overseeing and supporting procurement and contract management activity in 2017. The aim of this team is to ensure compliance with the Contract Procedure Rules (CPR) and legislation and maximise value for money through better procurement processes and stronger contract management.

The Contracts and Procurement have made significant progress in strengthening procurement and contract procedures and visibility over contract spend, the reports highlights a number of areas where further work is required:

- Our sample testing found some instances of non-compliance with the Contract Procedure Rules, relating to the signing and sealing of contracts. We also found that evidence of quotes was not always held (Finding 1 – Medium)
- Further work is needed to correctly classify spend and complete the contract register (Finding 2 – Low)
- An assessment of mandatory training needs for different roles/levels is required, training materials need to be developed and completion monitored (Finding 3 – Low)
- The Contract Procedure Rules were due for review in 2017 but the review, whilst almost complete, was still in progress at the time of audit (Finding 4 – Low)
- The contract register on the Council's website does not meet the requirement of the Local Government Transparency Code 2015 (Finding 5 – Low)

2018/19 internal audit plan work in progress

As at the date of preparing this report the following reviews are in progress:

<i>Name of review</i>	<i>Update on progress</i>
Customer comments, compliments & complaints	Scoping meeting held
Section 106 Agreements	Terms of reference agreed. Reporting to Audit Committee in January 2019
Housing Benefits	Scoping meeting held
Waste & Recycling – Commercial Waste	Terms of reference agreed. Reporting to Audit Committee in January 2019
Parking services	Terms of reference agreed. Reporting to Audit Committee in January 2019

Summary of changes to the 2018/19 internal audit plan

To remain relevant, the annual internal audit plan should be flexible to respond to emerging or changing risks. With budget constraints, there is also a need to ensure prioritisation is given to work which will achieve the greatest value to the organisation. The following changes have been made to the 2018/19 plan since it was approved in June 2018:

<i>Name of review</i>	<i>Comment</i>
Waste & Recycling - Contracts	<p>The original plan included review of the contracts for Street Cleansing/Horticulture and Recycling.</p> <p>Council recently approved the proposal to bring Street Scene services in-house, the contract will conclude in January 2020.</p> <p>Due to changes in the recycling market, we no longer receive income but pay for waste to be taken to a MRF through a contract with CasePak.</p> <p>For both contracts, management procedures are in place and not considered a high risk for internal audit review.</p> <p>Audit days will be reallocated to allow for more in-depth reviews of Commercial Waste and Parking Services.</p>

2. Implementation of agreed audit actions





We monitor the implementation of actions and recommendations raised by internal audit reviews to ensure that the control weaknesses identified have been satisfactorily addressed. Actions arising from low risk audit findings are followed up by management and reviewed, but not validated, by internal audit.

A detailed listing of all internal audit actions, together with status update is included in Appendix 4. In total 36 actions were followed up for the October 2018 Audit Committee – this included an update on all actions whether they were due or whether they had a later due date. 19 out of 36 actions are complete which equates to 52.7% (55% in June 2018).

Appendix 1: Internal audit opinion and classification definitions

The overall report classification is determined by allocating points to each of the individual findings included in the report.

Findings rating	Points
Critical	40 points per finding
High	10 points per finding
Medium	3 points per finding
Low	1 point per finding

Report classification	Points
 Critical risk	40 points and over
 High risk	16– 39 points
 Medium risk	7– 15 points
 Low risk	6 points or less

Individual findings are considered against a number of criteria and given a risk rating based on the following:

Finding rating	Assessment rationale
Critical	<p>A finding that could have a:</p> <ul style="list-style-type: none"> • Critical impact on operational performance; or • Critical monetary or financial statement impact [quantify if possible = materiality]; or • Critical breach in laws and regulations that could result in material fines or consequences; or • Critical impact on the reputation or brand of the organisation which could threaten its future viability.
High	<p>A finding that could have a:</p> <ul style="list-style-type: none"> • Significant impact on operational performance; or • Significant monetary or financial statement impact [quantify if possible]; or • Significant breach in laws and regulations resulting in significant fines and consequences; or • Significant impact on the reputation or brand of the organisation.
Medium	<p>A finding that could have a:</p> <ul style="list-style-type: none"> • Moderate impact on operational performance; or • Moderate monetary or financial statement impact [quantify if possible]; or • Moderate breach in laws and regulations resulting in fines and consequences; or • Moderate impact on the reputation or brand of the organisation.
Low	<p>A finding that could have a:</p> <ul style="list-style-type: none"> • Minor impact on the organisation’s operational performance; or • Minor monetary or financial statement impact [quantify if possible]; or • Minor breach in laws and regulations with limited consequences; or • Minor impact on the reputation of the organisation.
Advisory	<p>A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.</p>

Appendix 2: Internal audit plan and progress tracker

The 2018/19 Annual Internal Audit Plan was approved by members of the Audit Committee in June 2018. A summary of progress on completion of the plan and changes is reported below.

Review	Description	Status/Comment	Overall Risk Rating
General Ledger	Assurance over control design and operating effectiveness of key financial processes.		
Accounts Payable			
Payroll	Review payroll processes and controls post new system implementation		
Billing, debt management and recovery	Review of processes for billing selected income streams (inc. commercial & garden waste, licensing, property), debt management and recovery		
TechOne	Review system integration and data transfer controls to ensure the data held in TechOne is complete and accurate.		
Contracts & Procurement	Corporate processes	Complete	Medium
Health & Safety	Corporate processes	Complete	Medium
Customer comments, compliments & complaints	Corporate CCC process & new Customer Charter	Scoping meeting held	
Section 106 Agreements		Terms of Reference agreed. Work planned Oct/Nov 2018	
Housing Benefits	Consider impact of Universal Credit	Scoping meeting held	
Waste & Recycling - Contracts	Original plan included review of the contracts for Street Cleansing/Horticulture and Recycling. Council recently approved the proposal to bring Street Scene services in-house, the contract will conclude in January 2020. Due to changes in the recycling market, we no longer receive income but pay for waste to be taken to a MRF through a contract with CasePak . For both contracts management procedures are in place and not considered a high risk for internal audit review.		
Waste & Recycling – Commercial Waste	Focus on customer and commercial aspects of trade waste operations.	Terms of Reference agreed. Work planned Oct/Nov 2018	
Parking services	Review of all areas of the parking service	Terms of Reference agreed. Work planned Oct/Nov 2018	
Connected Knowledge	TBC		
Company Governance	Assess governance arrangements for the Aylesbury Vale Estates		
Follow up audit actions	Validation that agreed internal audit actions have been implemented.	Ongoing	
Disabled Facilities Grant	Grant compliance requirements	Complete	No issues reported

Appendix 3: Internal audit reports

The Committee requested to see all internal audit reports in full. Those completed since the last meeting are attached below.

1. Corporate Health and Safety
2. Procurement and Contract Management

Appendix 4: Summary of internal audit actions

[To follow]



Internal Audit Report 2018/19

Corporate Health and Safety

September 2018

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Distribution List

For action	Joanne Crosby, Corporate Health and Safety Manager Diane Harnett, Operational Health and Safety Officer Stephen Foster, Health and Safety Officer Will Rysdale, Assistant Director
For information	Isabel Edgar Briancon, Assistant Director Andrew Small, Director Health & Safety Board Audit Committee

This report has been prepared only for Aylesbury Vale District Council in accordance with the agreed terms of reference. The findings should not be relied upon by any other organisation.

1. Executive summary

Report classification*	Total number of findings				
	Critical	High	Medium	Low	
	Control design	-	-	2	1
Medium Risk (11 points)	Operating effectiveness	-	-	1	1
	Total	-	-	3	2

*We only report by exception, which means that we only raise a finding / recommendation when we identify a potential weakness in the design or operating effectiveness of control that could put the objectives of the service at risk. The definition of finding ratings is set out in Appendix 1.

Summary of findings

This report is classified as Medium risk. We identified three medium and two low risk issues. The scope of our work was designed to measure against the requirements of the Health and Safety at Work Act 1974, and relevant associated regulations.

During 2017, resources to support health and safety activities were increased at both a corporate and operational level (Pembroke Road). Since then significant steps have been taken to improve and evidence the corporate approach to meeting all legal duties.

During our review, we tested a sample of 15 incidents/accidents, reviewed overall governance, policies and training, and the progress made against the Corporate Health and Safety Strategy. Overall, we found procedures to be in accordance with the requirements, although further work is required to strengthen controls in some areas. Our findings are summarised below.

Summary of findings

- We observed that an Event Safety Management Plan was in place for Council organised events which present a significant public safety risk. However, there has been a lack of clarity around roles, resources and accountability for completion of risk assessments and the level of health and safety support required. (Finding 1 – Medium)
- Health and safety risk assessments need to be completed across all areas of significant activity. Once complete, a corporate monitoring and review process is needed to ensure the risk profile of the organisation is continually reviewed, activities assessed and appropriate action taken. (Finding 2 – Medium)
- A programme of health and safety training based on role requirements is needed to ensure that staff are aware of the latest health and safety issues. Training materials need to be developed in consultation with Learning and Development and a process established to ensure compliance can be monitored and reported. (Finding 3 – Medium)
- The accident and incident reporting system and health and safety KPIs should be further developed. (Finding 4 – Low)
- Policy governance requires improvement, including a framework to review all policies and ensure changes are appropriately approved and communicated. (Finding 5 – Low)

Good practice noted

- The Corporate Health and Safety Policy and Strategy passed at Council in September 2017, will be due for review shortly.
- All members of the Corporate Health and Safety Team are members of the Institute of Occupational Safety and Health and have a plan and/or activities in place for continual professional development.
- The Health and Safety Board and Committee formed in September 2017 meet regularly and have good attendance. Matters such as the health and safety work program, risk register items, accident data and general concerns are discussed. The minutes are shared with all members of staff through Box and on notice boards.
- Corporate accident reporting has been automated on Hornbill with a standard form using compulsory fields to ensure incidents are recorded in an agreed way and key information is documented to allow relevant action to be taken.
- Control and Management of Contractors Policy is in place to provide guidance on how to ensure contractors are following safe systems of work.
- A procurement template has been developed to ensure the procurement and tender processes include appropriate health and safety screening checks on suppliers and contractors.
- Since April 2018 work has been done jointly with the Estates and Properties Team to help establish the new facilities management contract. This has involved a review of all properties with regards areas such as the management of legionella, asbestos, fire safety systems and contractor services.
- We observed good practice at the Waste and Operations site at Pembroke Road. All significant activity risk assessments for 2018 for the Pembroke Road Depot have been completed to a suitable and sufficient standard. There is also an established training matrix in place.

2. Background and Scope

Background

Employers have a legal duty, under The Health and Safety at Work etc. Act 1974 to ensure – as so far as is reasonably practicable - the health, safety and welfare of their employees and of its acts or omissions that may affect those not in their employment.

AVDC has an approved Corporate Health and Safety Policy 2017 and Strategy, which sets out how the Council will meet these obligations.

During 2017, resources to support health and safety activities were increased at both a corporate and operational level in Pembroke Road. Since then significant steps have been taken to improve the corporate management approach and safety culture in order to demonstrate statutory compliance. This report addresses key findings and sets out any further improvements which may be required.

Scope

The scope covered the key risks set out in the Terms of Reference (Appendix 2). Our testing focused compliance with The Management of Health and Safety at Work Regulations 1999 and included:

- A sample of 15 incidents form the period 1 April to 31 August 2018 to check that incidents are recorded in sufficient detail and appropriate actions are taken to address the issues
- Review of the Corporate Health and Safety Strategy and Policy
- Review of the minutes of the Health and Safety Board and Health and Safety Committee.

This does not represent a comprehensive list of tests conducted.

3. Detailed findings and action plan

1. Governance for event management requires improvement – Control Design

(The Management of Health and Safety at Work Regulations 1999)

Finding

The Event Safety Management Group was established in early 2018 to support the governance and oversight of Council organised events, which present a significant public safety risk. The aim was to provide a forum for discussing, coordinating and resourcing all safety aspects of events, including for example, security, risk assessments, developing the Event Safety Plan and ensuring appropriate consultation with the Buckinghamshire Safety Advisory Group (SAG). An important aim of the group is to ensure post event debriefs occur and identified lessons are applied.

During our review, the Wasterside Festival took place (8 September) for the first time. We observed that an Event Safety Management plan was in place, and the event was considered a great success. However, it was apparent that in the run up to the event there was some confusion about responsibility for completion of risk assessments and the level of health and safety support required on the day. Whilst these matters had been discussed at past meetings of the Event Safety Management Group, there was a lack of understanding around roles, resources and accountability. A new chair of the Event Safety Management Group was appointed following the Waterside Festival.

To further strengthen oversight and governance of Council events the following actions are needed:

- Review terms of reference for and membership of the Event Safety Management Group
- Develop a corporate calendar of all events, with clear categorisation of risk – this will support the identification of appropriate security arrangements, command structure, resource requirements, and facilitate the development of the Event Safety Management Plan
- Develop a robust planning framework for events, including those organised by Communities, Town Centre and for the “Chairman” – this will ensure local and central teams have clear instruction and consistent working practices
- Post event debriefs and lessons identified should be documented and plans updated regularly to reflect and share learnings.

Whilst improvements to governance and planning are required, we confirmed that there were no significant issues raised through health and safety incident reports for all events in the past 12 months.

Risks / Implications

Risk to public safety. Damage to AVDC reputation and potential for regulatory breach.

Finding rating	Action Plan
----------------	-------------

Medium	a) Review terms of reference and membership for Event Safety Management Group	<i>Responsible person/title</i>
	b) Develop a corporate calendar of all events, with clear categorisation of risk	Will Rysdale – Assistant Director
	c) Develop a robust planning framework for events, including those organised by Communities, Town Centre and for the	<i>Target date</i>
		a) 31 October 2018 b) 31 December 2018 c) 28 February 2019

“Chairman”. This will be informed and tested during the Christmas events and finalised thereafter.

d) 31 October 2018
e) 28 February 2019

- d) Post event debriefs and lessons identified should be documented and plans updated regularly to reflect and share learnings
- e) Event Safety Management Group to identify corporate level event security needs and develop business case to meet requirements (e.g. procure and external contract, train and develop in-house). This will be reported to the Health and Safety Board.

2. Corporate health and safety risk assessments are incomplete – Control Design

(The Management of Health and Safety at Work Regulations 1999)

Finding

The Corporate Health and Safety Manager has identified the need for risk assessments to be completed across all areas of significant activity. A suitable corporate risk assessment template and risk matrix was developed for managers and staff to use but little activity has taken place to date. The Corporate Health and Safety Manager has ensured that high risk council activities (eg. fire, legionella, asbestos) have been assessed, but further work is needed to ensure all areas and activities are covered.

Once corporate risk assessments have been completed, a corporate monitoring and review process is needed to ensure the risk profile of the organisation is continually reviewed, activities assessed and appropriate action taken.

We observed good practice at Pembroke Road. All significant activity risk assessments for 2018 for the Pembroke Road Depot have been completed to suitable and sufficient standard. The Operational Health and Safety Officer is based on site and meets with the supervisors at the depot on a weekly basis. They follow up any recommendations raised in the risk assessment on a monthly basis and any action carried out is clearly recorded.

Fire Risk Assessments (The Regulatory Reform (Fire Safety) Order 2005)

In 2017, before the current health and safety team was in place, a qualified and competent external consultant was appointed to conduct fire risk assessments for all properties which are fully under the Council's control. This exercise was completed and required actions were implemented by the Estates and Properties Team.

In 2018, the Council's Health and Safety Officer has been working through a program of properties scheduled for a fire risk assessment review, which is recommended to be done annually. The asset register, maintained by Estates and Properties team, lists 32 properties however, not all of these require annual fire risk assessment, and for some, the responsibility lies with the tenant. There is a lack of clarity around which properties/assets require the Council to conduct a risk assessment, and the required frequency.

Risks / Implications

Risk to staff and public safety. Damage to AVDC reputation and potential for regulatory breach

Finding rating Action Plan

Medium	a) A project plan is needed to appropriately resource the completion of Council wide risk assessments. It is recognised the Corporate Health & Safety Manager will need to support Managers with the process in the first instance. Higher risk areas should be prioritised for completion.	<i>Responsible person / title</i>
	b) Once corporate risk assessments have been completed, a corporate monitoring and review process is needed to ensure the risk profile of the organisation is continually reviewed,	<i>Target date</i>
		a) Joanne Crosby, Corporate Health and Safety Manager
		b) Joanne Crosby, Corporate Health and Safety Manager
		a) 31 October 2018
		b) 31 March 2019
		c) 31 October 2018

activities assessed and appropriate action taken. This should be reviewed by the Health and Safety Board.

- c) Work with the Estates and Properties Team to clarify which properties/assets require the Council to conduct a risk assessment.

3. Corporate H&S training requires improvement – Operating Effectiveness

Finding

The following health and safety e-learning modules are available on the Council's intranet:

- Health & Safety Induction (Mandatory) – 35% completion
- Fire Safety – 7% completion, 4% in progress
- Display Screen Equipment (Mandatory) – 19% completion, 3% in progress.

As has been reported in previous internal audit reports, the Council does not currently have a robust system of assessing training needs and tracking completion of mandatory training. This is being addressed corporately through the implementation of the new HR system. In the new year the new eLearning Hub will be launched and this will provide access to eLearning and the ability to record and monitor completion. Until then, the Corporate Health and Safety Manager has no data to monitor training completion rates.

A training matrix is being developed by the Corporate Health and Safety Manager. This will provide the learning and development team with a model for planning corporate health and safety training across the Council. At Pembroke Road, which has task specific training requirements, is already established and fully implemented.

Risks / Implications

Lack of appropriate training increases risks of health and safety accidents and can lead to financial penalty and reputational damage to the Council.

Finding rating

Action Plan

Medium

- The Corporate Health and Safety Team should develop a programme of training and communication, based on a matrix of requirements for different roles to ensure that staff are aware of the latest health and safety issues.
- Training material should be developed in consultation with Learning and Development, and signed off by the Corporate Health and Safety Manager
- Processes need to be developed to ensure training completion can be monitored and reported.

Responsible person / title

Joanne Crosby, Corporate Health and Safety Manager
(Robert Bowman, Learning & Development)

Target date

- 31 December 2018
- 31 December 2018
- 31 March 2019

4. Accident reporting and KPIs need further development – Control Design

Finding

Both the Health and Safety Board and the Health and Safety Committee meet quarterly. These provide the forum for reviewing health and safety performance and incident reports. In August 2017 the paper based accident reporting system was replaced with online reporting through Hornbill. This has enabled more detailed reporting, accessibility to staff for making a report, and ease of monitoring.

We reviewed the minutes and the KPIs and noted the reporting was limited to the manual collation of number, category, location of incidents and whether they were reportable under RIDDOR. No dashboard functionality is available

As part of our review of incident management, we selected a sample of 15 incidents for the period 1 April to 31 August 2018. In five incidents, there were technical issues with Hornbill and the Corporate Health and Safety Manager was not able to see the detailed information of the incident. This issue was communicated to IT in June 2018 and followed up in August 2018. During the audit the issue was resolved.

Additional issues, such as notification to the Corporate Health and Safety Manager when an incident has been raised and notification to the relevant service manager to initiate the investigation was not functioning at the time of the audit, but has since been addressed. It is also noted that the officers were not able to close the incident after it has been resolved as this removes data from the system and no future reporting can be carried out. Consequently, it is difficult to keep track of any outstanding incidents.

The Corporate Health and Safety Manager is developing new KPIs including:

- Number of reported accidents and near misses
- Health and safety training compliance rate
- Number of workplace inspections conducted and any exception found
- Lost time due to injury, and cost

Data sources need to be confirmed to assess whether this is achievable. The KPIs should also incorporate measures which capture the efficiency and effectiveness over the management of accidents and incidents.

It is recognised that there are still a few issues with the accident reporting system, but it is a significant improvement on the old paper based process and is generally meeting basic requirements until an alternative can be explored.


Risks / Implications

Accidents and near misses may go unreported. Non-identification and mitigation of health and safety risk and issues.

Finding rating

Action Plan

Low	<p>a) KPIs to be further developed and reported to Health & Safety Board and Committee. Work with HR (and new system) to identify data sources to support improved reporting. Incorporate KPIs which can quantify the impact of health and safety issues.</p> <p>b) Consider the cost/benefits of utilising the new HR system and/or alternatives and whether there is a business case for a</p>	<i>Responsible person / title</i>
		<p>Joanne Crosby, Corporate Health and Safety Manager</p>
		<i>Target date</i>
		<p>a) 28 February 2019</p> <p>b) 30 June 2019</p>



standalone management system for health
and safety. Report to be presented to
Health & Safety Board

5. Improved governance of policies and procedures – Operating Effectiveness

<i>Finding</i>		
<u>Corporate policies</u>		
<p>The corporate Health and Safety Policy and the Strategy, approved September 2017, comply with the guidance published by the Health and Safety Executive, but other supporting policies and procedures, such as the fire safety management plan, vulnerability survey and the remote working policy, were in the process of being updated/created with no clear schedule for completion and ongoing review.</p>		
<u>Local policies</u>		
<p>The Corporate Health and Safety Manager is aware of the existence of a number of local health and safety procedures, over which they do not have oversight. The Corporate Health and Safety Team should have oversight of the localised health and safety policies and procedures, and creation and amendment of such documents should be reviewed and approved by the Corporate Health and Safety Team and/or Health and Safety Committee. For example, 'working at height' and 'working with contractors' are local policies.</p>		
<i>Risks / Implications</i>		
Risk to staff and public safety. Damage to AVDC reputation and potential for regulatory breach.		
<i>Finding rating</i>	<i>Action Plan</i>	
Low	a) Develop a policy review framework to identify all required policies.	<i>Responsible person / title</i>
	b) Review all policies and ensure changes are appropriately approved and communicated (including to contractors). For future amendments a change control process is required. Progress to be monitored by Health and Safety Board.	Joanne Crosby, Corporate Health and Safety Manager
		<i>Target date</i>
		a) 31 December 2018 b) 30 June 2019

Appendix 1. Finding ratings and basis of classification

Report classifications

The overall report classification is determined by allocating points to each of the individual findings included in the report.

Findings rating	Points	Overall report classification	Points
Critical	40 points per finding	● Critical risk	40 points and over
High	10 points per finding	● High risk	16– 39 points
Medium	3 points per finding	● Medium risk	7– 15 points
Low	1 point per finding	● Low risk	6 points or less

Individual finding ratings

Finding rating	Assessment rationale
Critical	<p>A finding that could have a:</p> <ul style="list-style-type: none"> ● Critical impact on operational performance; or ● Critical monetary or financial statement impact [quantify if possible = materiality]; or ● Critical breach in laws and regulations that could result in material fines or consequences; or ● Critical impact on the reputation or brand of the organisation which could threaten its future viability.
High	<p>A finding that could have a:</p> <ul style="list-style-type: none"> ● Significant impact on operational performance; or ● Significant monetary or financial statement impact [quantify if possible]; or ● Significant breach in laws and regulations resulting in significant fines and consequences; or ● Significant impact on the reputation or brand of the organisation.
Medium	<p>A finding that could have a:</p> <ul style="list-style-type: none"> ● Moderate impact on operational performance; or ● Moderate monetary or financial statement impact [quantify if possible]; or ● Moderate breach in laws and regulations resulting in fines and consequences; or ● Moderate impact on the reputation or brand of the organisation.
Low	<p>A finding that could have a:</p> <ul style="list-style-type: none"> ● Minor impact on the organisation’s operational performance; or ● Minor monetary or financial statement impact [quantify if possible]; or ● Minor breach in laws and regulations with limited consequences; or ● Minor impact on the reputation of the organisation.
Advisory	<p>A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.</p>

Appendix 2. Terms of reference

The key risks agreed in the Terms of Reference are set out below.

Sub-process	Risks	Objectives
Policy and Strategy	<ul style="list-style-type: none"> The Health and Safety Policy framework is not up-to-date and is not reflective of relevant and changing legislative and regulatory requirements 	<ul style="list-style-type: none"> Processes in place to ensure the latest legislative requirements are incorporated into the Policy The Policy has been approved by management and Members at appropriate intervals
Roles and Responsibilities	<ul style="list-style-type: none"> Roles and responsibilities for health and safety across the institution are not clearly assigned and/or are not being executed at Board or within operational management 	<ul style="list-style-type: none"> A clear central structure is in place so there is an overall Health and Safety lead Central structures are supported by local champions across the Council which are clear and regularly updated
Risk Identification	<ul style="list-style-type: none"> Health and safety risks and hazards across the spread of the Council's activities have not been identified (including the completion of risk assessments) 	<ul style="list-style-type: none"> Risk assessments are undertaken regularly across service areas and corporate functions to identify all relevant risks Risks are assessed in a consistent manner to ensure completeness and prioritisation of actions.
Incident Management	<ul style="list-style-type: none"> Incidents, including 'near misses', are not recorded and the Council is therefore unable to use the results of investigations to improve systems, processes and practice 	<ul style="list-style-type: none"> There are clear processes to guide how each individual incident is managed Incidents are recorded in an agreed way that ensures all key information is documented to allow relevant action to be taken
Incident Actions	<ul style="list-style-type: none"> Appropriate action is not taken to address identified health and safety risks or in response to health and safety incidents 	<ul style="list-style-type: none"> Actions are clearly identified for each incident with assigned individuals and dates for completion Actions are then completed
Training	<ul style="list-style-type: none"> Staff have not received appropriate training in relation to health and safety risks 	<ul style="list-style-type: none"> Training to new starters is in place Compliance for training is monitored to ensure expected levels are met On-going training for relevant personnel is identified and given
Contractors	<ul style="list-style-type: none"> Contractors place themselves or others 	<ul style="list-style-type: none"> There is a process to ensure contractors are following safe systems of work

	at risk or injury	<ul style="list-style-type: none"> Contract & procurement procedures include appropriate health & safety screening checks
Reporting	<ul style="list-style-type: none"> Health and Safety has not been reported to management meetings sufficiently to allow oversight 	<ul style="list-style-type: none"> There is agreed and regular reporting that identifies trends and meets expected compliance/performance indicators which have been set



Internal Audit Report 2018/19

Procurement and Contract Management

September 2018

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Distribution List

For action	Rafael Lima, Corporate Contracts and Procurement Manager
For information	Isabel Edgar Briancon, Assistant Director Andy Barton, Assistant Director Andrew Small, Director Audit Committee

This report has been prepared only for Aylesbury Vale District Council in accordance with the agreed terms of reference. The findings should not be relied upon by any other organisation.

1. Executive summary

Report classification*	Total number of findings				
	Critical	High	Medium	Low	
	Control design	-	-	-	2
Medium Risk (7 points)	Operating effectiveness	-	-	1	2
	Total	-	-	1	4

*We only report by exception, which means that we only raise a finding / recommendation when we identify a potential weakness in the design or operating effectiveness of control that could put the objectives of the service at risk. The definition of finding ratings is set out in Appendix 1.

Summary of findings

This report is classified as medium risk. We raised one medium and four low risk issues.

The Council increased the corporate resource involved with overseeing and supporting procurement and contract management activity in 2017. The aim of this team is to ensure compliance with the Contract Procedure Rules (CPR) and legislation and maximise value for money through better procurement processes and stronger contract management. The team have savings targets of #100,000 per annum to achieve of which #60,000 has been identified year to date.

The Contracts and Procurement team has a “roadmap”, which shows the service is in the early stage of development. The findings of this report should be considered within this context.

Summary of findings

- Our sample testing found some instances of non-compliance with the Contract Procedure Rules, relating to the signing and sealing of contracts. We also found that evidence of quotes was not always held (Finding 1 – Medium)
- Further work is needed to correctly classify spend and complete the contract register (Finding 2 – Low)
- An assessment of mandatory training needs for different roles/levels is required, training materials need to be developed and completion monitored (Finding 3 – Low)
- The Contract Procedure Rules were due for review in 2017 but the review, whilst almost complete, was still in progress at the time of audit (Finding 4 – Low)
- The contract register on the Council's website does not meet the requirement of the Local Government Transparency Code 2015 (Finding 5 – Low)

Good practice noted

- Processes are in place to ensure the staff in the Contracts and Procurement Team are made aware of the latest legislative requirements
- A clear central structure is in place and published on the Council's intranet, Connect; and there is an

overall procurement and contract management lead

- Our sample testing on the procurement process noted that the Contracts and Procurement Team is consulted in line with the Contract Procedure Rules 2016
- Reporting and KPI arrangements are in place and action is taken depending on the outcome of reports issued.
- Savings identified through procurement and contract management are being tracked and reported.
- Activities identified in the “Roadmap” are sound in order to meet the expectations set out and support strategic direction.

2. Background and Scope

Background

The Contract Procedure Rules apply to all Procurement activities. The Contract Procedure Rules provide the governance structure within which the Council may procure Supplies, Services and Works. This document was approved in February 2016 and effective from June 2016; it is currently being revised with a new version expected to be approved in October 2018.

The Council's Procurement Code of Practice provides a more detailed explanation of procurement best practice, procedures, processes, associated Council policies and required Contract terms.

The Council increased the corporate resource involved with overseeing and supporting procurement and contract management activity in 2017. The team have clear savings targets to achieve through improved procurement and more efficient contract management.

Scope

The scope covered the key risks set out in the Terms of Reference (see Appendix 2). Our testing included:

- A sample of 46 contracts with a start date on/after 1 January 2018 to check that the Contract Procedure Rules 2016 and procurement regulations were followed
- Review of the draft Contract Procedure Rules 2018 and internal KPIs.
- Review of the processes for contract management.

This does not represent a comprehensive list of tests conducted.

3. Detailed findings and action plan

1. Instances of non-compliance with Contract Procedure Rules – Operating Effectiveness

Finding

The 2016 Contract Procedure Rules (CPR) require:

- All contracts should be signed and, if the value is greater than £30,001, sealed on behalf of the Council (this is being increased to £100,000 in the new CPR currently being finalised, which is a more reasonable value). A copy of the final contract and any other terms and conditions should also be shared with Procurement
- For expenditure up to £30,000, 1 quote is required, however 3 quotations is recommended to ensure value for money. Payment for low value-non recurring spend up to £1,000 should, where appropriate be paid by credit card. As a minimum the Council's Terms and Conditions of Contract must be signed and issued with the Purchase Order.

We initially selected and reviewed a sample of 17 contracts with a start date on or after 1 January 2018 to ascertain whether the CPR were followed. We extended our sample due to identifying some exceptions by an additional 29, which represented a 100% sample for contracts in the period. Our sample consisted of contracts from across the council services including:

- IT contracts (x41)
- Revenue and benefit (x1)
- Forward plans (x1)
- Facilities management (x2),
- Operations (Parking) (x1)

All exceptions were found in IT contracts.

Conditions

Of the 46 contracts:

- 13 had a value above £30,000 and we were not able to verify during the time of the audit whether nine of these contracts had been sealed (total value: £1,234,621). We understand that records may be held in the offsite archive facility.
- Two had not been signed by either one or both parties (total value: £121,100)
- The Contracts and Procurement Team did not hold a copy of one contract with a value of £1,000.

Quotations

For contracts under £30,000, the Contracts and Procurement Team does not need to be consulted. As a result, the officer who procured the service is required to upload the quote obtained in Tech One as evidence. The authorised relevant manager should review Tech One and the purchase order should only be authorised if the manager is satisfied that a quote has been attached.

Our sample included six contracts with a value under £30,000 and therefore we would expect to find at least one quote held against each of these on Tech One; we found:

- In one instance, the quote exists but it has not been attached on Tech One (Value: £2,150)
- In another instance we were not provided with appropriate evidence as only correspondence emails and not quotes were attached to Tech One (Total Value: £23,000).

It should be noted that it is not the responsibility of the Contracts and Procurement Team to ensure compliance with quotations; it is the responsibility of the authorised manager to review purchases orders and approve in accordance with the CPRs on Tech One.

Risks / Implications

A lack of a signed contract or agreement to third party conditions could exposure the Council to unacceptable financial risk. Value for money in the use of public funds may not be achieved if quotes are not obtained. Council may be exposed to fraudulent expenditure.

Finding rating

Action Plan

Medium	<p>Instances of non-compliance with the Contract Procedure Rules identified in this review (sample list provided) should be assessed and appropriate action taken i.e. obtain signed contracts, check contracts are appropriately sealed.</p> <p>N.B See finding 3 around training compliance and finding 4 around finalising the approval of the Contract Procedure Rules, which if actioned would help mitigate instances of non-compliance.</p>	<i>Responsible person / title</i>
		Rafael Lima, Corporate Contracts and Procurement Manager
		<i>Target date</i>
		30 November 2018

2. Further work needed to correctly classify spend and complete the contract register – Operating Effectiveness

Finding

Once of the first objectives of the newly formed Contracts and Procurement Team was to develop and maintain a register of contracts. This is an important document that informs the Council of contracts held and dates they expire to support future procurement processes. A significant level of activity has taken place to engage with and obtain information from across the Council in addition to interrogation of financial transactions listings in Tech One to identify contract spend.

Whilst much progress has been made, there are further improvements needed with the completeness and classification of data held in the register:

Completion of the contract register

Compiling the contracts register has been a substantial piece of work. Progress on completion has been monitored by the Corporate Contracts and Procurement Manager who uses a formula to calculate the number of empty cells in the register. In the July 2018, the register was assessed as being 83% complete. Our review noted that the calculation included active and expired contracts. We re-performed the calculation for active contracts only and we founded a completion rate of 80%.

Identification of contract spend

To ensure maximum efficiency and value for money, the Council should have visibility of all existing expenditure under contract. Since establishing the Contracts and Procurement team, analysis of the financial system has been undertaken to ensure the contract register is complete. A report is run from Tech One, which details a list of expenditure. This allows a completeness check to be performed to assess if this reflects the contracts register i.e. if there is large spend with a vendor over a certain amount you would expect there to be a contract. A match between vendor names in Tech One and the contract register is performed and a sense check is further carried out by the Procurement Officer.

Our review of the Tech One report noted that there were transactions with no vendor name. For the period of 1 April to 31 July 2018, there were 1,863 transactions with a total value of £4,188,000, of which 211 had no vendor name totalling £158,000 of spend. Therefore mapping these transactions to the contractors is not possible and further investigation is needed.

We sense checked the Tech One expenditure listing that had been analysed to confirm if the expenditure related to contract spend or was non-contract spend. We concluded that the classifications of whether spends were on contract were inconsistent. For instance, the Council pays Buckinghamshire County Council for Employers Superannuation on a monthly basis. There were four transactions in the Tech One report but two were classified as contract spend and two were not. Further analysis needs to be done to ensure the data informing the Council and the contract register is accurate and complete.

Risks / Implications

Lack of oversight of council spend under contract results in poor value for money.

Finding rating


Action Plan

Low

- a) Resolve the data quality issue of the report from Tech One regarding vendor names and classifications

Responsible person / title

Rafael Lima, Corporate Contracts and Procurement Manager

	b) Complete the contract register to 100%	<i>Target date</i>
		a) 31 October 2018 b) 31 December 2018

3. Training and awareness for staff requires improvement – Control Design

Finding

To support compliance with procedures the Council generally provides training in the form of e-learning and face-to-face workshops.

The Contracts and Procurement Team have recognised that since their formation they need to improve their presence and support staff to comply with Rules. In achieving this aim face-to-face training has been targeted and offered to staff. Whilst sessions are targeted and useful, they are not mandatory and often focus on contract owners and senior management, but they are not the only staff who need to comply with the Rules.

As has been reported in other internal audit reports, the Council does not currently have a robust system of assessing training needs and tracking completion of mandatory training. This is being addressed corporately through the implementation of the new HR system. In the new year the new eLearning Hub will be launched and this will provide access to eLearning and the ability to record and monitor completion.

For procurement and contract management, an assessment of mandatory training needs for different roles/levels is required, materials need to be developed and then monitoring of completion.

Risks / Implications

Poor procurement and contract management. Lack of Contracts and Procurement Team oversight of activity, spend and risk.

Finding rating

Action Plan

Low	a) A training needs assessment for different roles and agreement of whether it is mandatory should be performed and communicated	<i>Responsible person / title</i>
		Rafael Lima, Corporate Contracts and Procurement Manager
	b) Appropriate training content developed in consultation with Learning and Development, including eLearning/face-to-face, as appropriate	<i>Target date</i>
	c) The compliance rates should be monitored on at least a quarterly basis and reported	a) 31 December 2018 b) 28 February 2019 c) 31 March 2019

4. Revised Contract Procedure Rules have not been approved and communicated – Control Design

Finding

The Contract Procedure Rules (CPRs) set out the minimum requirements the Council must follow when procuring and/or entering into contracts for the supply of goods, works and services including consultants. The CPRs are put in place to ensure that the Council gets value for money, complies with all legal requirements, minimises the risk of challenge/undue criticism, supports sustainability and provides transparency as to how it spends public money. We obtained the latest version of the Council's CPRs. This version was approved by the Cabinet on 9 February 2016 and should be reviewed annually thereafter to ensure the appropriateness of the financial thresholds and any changes required due to a change in law.

Following the recruitment of the new Contracts and Procurement team, the review of the CPR commenced in early 2018. At the time of the audit the revised draft was being reviewed by the Legal Team and should be finalised by the end of October 2018. Any findings identified in this audit will be reflected appropriately in the revised CPR.

In the updated CPRs, a new contract management framework has been developed; contracts will be classified into four categories based on the perceived risk level and value:

- Strategic - high risk / high value
- Bottleneck - high risk / low value
- Leverage - low risk / high value
- Non-Critical - low risk / low value

At the time of the audit, the Contracts and Procurement Team was in the process of classifying contracts in line with this matrix.

A new contract management template has also been developed to facilitate the contract management process; this template should be used across the council for strategic, leverage and bottleneck contracts. Training will be provided after the CPRs has been signed off.

We reviewed the proposed changes to the CPR and they appear reasonable and are broadly consistent with other Councils with exception of the number of quotes required and low value threshold. The Council requires fewer quotes than others to justify spend. There is however a balance to be had between the efficiency of the procurement process and the exposure to financial risk.

Risks / Implications

Lack of regular review of the CPRs increases the risk of non-compliance against new legislation.

Finding rating

Action Plan

Low	a) Complete the review and approval of the CPRs and ensure they are communicated and accessible to all staff.	<i>Responsible person/title</i>
	b) Consider the comparison of financial levels and quotations required from other Buckinghamshire Councils (information provided). This should be assessed to ensure the levels assigned are acceptable.	<i>Target date</i>
		a) 31 October 2018 b) 31 October 2018

5. Contract Register on the Council's internet does not meet the requirement of the Local Government Transparency Code 2015 – Operating Effectiveness

Finding

The Local Government Transparency Code 2015 requires the local authorities to publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000.

For each contract, the following details must be published:

- Reference number
- Title of agreement
- Local authority department responsible
- Description of the goods and/or services being provided
- Supplier name and details
- Sum to be paid over the length of the contract or the estimated annual spending
- Budget for the contract
- Value Added Tax that cannot be recovered
- Start, end and review dates
- Whether or not the contract was the result of an invitation to quote or a published invitation to tender, and
- Whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number.

We obtained the contract register on the Council's website and the contract register held by the Contracts and Procurement Team. They contained different information; the copy held by the team was more up to date and had more detail than the version on the website.

We compared the headings to the requirement of the Local Government Transparency Code 2015 and the following information was missing:

- Reference number
- Value Added Tax that cannot be recovered
- Whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number

Risks / Implications

Non-compliance of the Local Government Transparency Code 2015 is a breach of legislation and can result in potential reporting to ICO.

Finding rating

Action Plan

Low	a) The contract register should be updated to comply with the Local Government Transparency Code 2015	<i>Responsible person / title</i>
		Rafael Lima, Corporate Contracts and Procurement Manager
	b) The website version must be updated on at least a half-yearly basis.	<i>Target date</i>
		a) 31 December 2018 b) 30 June 2018

Appendix 1. Finding ratings and basis of classification

Report classifications

The overall report classification is determined by allocating points to each of the individual findings included in the report.

Findings rating	Points	Overall report classification	Points
Critical	40 points per finding	● Critical risk	40 points and over
High	10 points per finding	● High risk	16– 39 points
Medium	3 points per finding	● Medium risk	7– 15 points
Low	1 point per finding	● Low risk	6 points or less

Individual finding ratings

Finding rating	Assessment rationale
Critical	<p>A finding that could have a:</p> <ul style="list-style-type: none"> ● Critical impact on operational performance; or ● Critical monetary or financial statement impact [quantify if possible = materiality]; or ● Critical breach in laws and regulations that could result in material fines or consequences; or ● Critical impact on the reputation or brand of the organisation which could threaten its future viability.
High	<p>A finding that could have a:</p> <ul style="list-style-type: none"> ● Significant impact on operational performance; or ● Significant monetary or financial statement impact [quantify if possible]; or ● Significant breach in laws and regulations resulting in significant fines and consequences; or ● Significant impact on the reputation or brand of the organisation.
Medium	<p>A finding that could have a:</p> <ul style="list-style-type: none"> ● Moderate impact on operational performance; or ● Moderate monetary or financial statement impact [quantify if possible]; or ● Moderate breach in laws and regulations resulting in fines and consequences; or ● Moderate impact on the reputation or brand of the organisation.
Low	<p>A finding that could have a:</p> <ul style="list-style-type: none"> ● Minor impact on the organisation’s operational performance; or ● Minor monetary or financial statement impact [quantify if possible]; or ● Minor breach in laws and regulations with limited consequences; or ● Minor impact on the reputation of the organisation.
Advisory	<p>A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.</p>

Appendix 2. Terms of reference

The key risks agreed in the Terms of Reference are set out below.

Sub-process	Risks	Objectives
Policy and Strategy	<ul style="list-style-type: none"> The Contract Procedure Rules are not up-to-date or reflective of relevant and changing legislative and regulatory requirements 	<ul style="list-style-type: none"> Processes in place to ensure the latest legislative requirements are incorporated into the Policy The Policy has been approved by management and Members at appropriate intervals
Roles and Responsibilities	<ul style="list-style-type: none"> Roles and responsibilities for procurement and contract management across the Council are not clearly assigned and/or are not being executed at Board or within operational management 	<ul style="list-style-type: none"> A clear central structure is in place so there is an overall procurement and contract management lead Central structures are supported adequately to achieve the objectives expected
Procurement Activity	<ul style="list-style-type: none"> Procurement activity is not compliant with the Contract Procedure Rules and/or the Procurement Code of Practice 	<ul style="list-style-type: none"> Procurement expectations are followed depending on the financial value of expenditure expected Procurement are adequately consulted and advice is acted upon
Contract Management	<ul style="list-style-type: none"> The financial and quality performance of contractors is not adequately monitored to ensure value for money 	<ul style="list-style-type: none"> Arrangements are in place to monitor financial and quality of contractor performance Performance management reviews on finance and quality are undertaken with actions taken to improve performance
Reporting and KPIs	<ul style="list-style-type: none"> Reporting and KPI arrangements are not adequate and are not reported correctly with inappropriate action taken 	<ul style="list-style-type: none"> KPIs are set and agreed with appropriate coverage to manage risks Reports on activity are produced timely which are effective along with KPIs to correct personnel Action is taken depending on the outcome of reports issued
Training	<ul style="list-style-type: none"> Staff have not received appropriate training in relation to procurement and contract management 	<ul style="list-style-type: none"> Training to managers is in place Compliance for training is monitored to ensure expected levels are met On-going training for relevant personnel is identified and given
Reporting	<ul style="list-style-type: none"> Procurement and contract management has not been reported to management meetings sufficiently to allow sufficient oversight 	<ul style="list-style-type: none"> There is agreed and regular reporting that identifies trends and meets expected compliance/performance indicators which have been set Road Map activities are sound and robust to meet the expectations set out and support strategic direction

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UPDATE ON AYLESBURY VALE BROADBAND REVIEW

1 Purpose

- 1.1 To update the Audit Committee on the cross party working group established to oversee the recommendations of the Aylesbury Vale Broadband report.

2 Recommendations/for decision

- | | |
|-----|---|
| 2.1 | The Committee is asked to approve the membership and terms of reference of the Cross Party Group. |
|-----|---|

3 Supporting information

- 3.1 On 12 June, Council resolved that:
- (1) That this Council notes that, at its meeting on 12 June 2018, the Audit Committee of AVDC accepted and agreed the twenty two recommendations of the BDO LLP review into AVB. As such, Council endorses the decision and formally adopts the recommendations which are to be applied to all its current and future commercial ventures. Further, a cross party group will be formed to oversee the implementation of the recommendations, the group to be appointed by the Audit Committee.
 - (2) That in view of concerns about various financial aspects of financial matters reported in the BDO LLP report on the review of Aylesbury Vale Broadband (AVB), the Council as 95% shareholder in AVB, agrees for a detailed examination of the accounts of AVB to be carried out as a matter of urgency by AVDC's internal audit team and a report of this be delivered to the Audit Committee.
- 3.2 Group Leaders put forward the following people to comprise the Cross Party Working Group: Councillors C Branston, B Chapple, A Cole, S Cole, A Christensen, S Lambert and P Cooper.
- 3.3 The Cross Party Group held its first meeting on 10 September, 2018. The headlines from that meeting were:-
- Councillor C Branston was elected as Chairman of the Group.
 - The Group approved the terms of reference (attached).
 - The 22 AVB review recommendations and the proposed next steps for their implementation were considered. The Group made a number of comments on these that will be used to update this 'next steps' information further.
 - The Council's Lead Legal and Monitoring Officer has been formally asked to investigate the yellow pages breaches that had been raised during the review of AVB.
 - The Corporate Governance Manager and the Director with responsibility for Finance have been asked to undertake a sample checking exercise on some areas of AVB's accounts, e.g. on customer invoices and orders placed, and on fuel receipts, to enable the Officers to give Members and the public some assurance that the accounts were an accurate record of the affairs of the company.

- The next meeting of the AVB Cross Party Group will be held in October or November, when an update on all the aforementioned issues can be reported back to Members.

Contact Officer

Kate Mulhearn – Corporate Governance Manager
Tel: 01296 585724

Background Documents

None

Cross Party Working Group – Terms of Reference

Membership: Councillors Branston (Chairman), B Chapple, A Cole, S Cole, Christensen, Lambert and Cooper

Officer support: Andrew Small (Sec 151), Kate Mulhearn (Corporate Governance), Bill Ashton (Democratic Services), Craig Saunders (Democratic Specialist)

On 12 June, Council resolved that:

(1) That this Council notes that, at its meeting on 12 June 2018, the Audit Committee of AVDC accepted and agreed the twenty two recommendations of the BDO LLP review into AVB. As such, Council endorses the decision and formally adopts the recommendations which are to be applied to all its current and future commercial ventures. Further, a cross party group will be formed to oversee the implementation of the recommendations, the group to be appointed by the Audit Committee.

(2) That in view of concerns about various financial aspects of financial matters reported in the BDO LLP report on the review of Aylesbury Vale Broadband (AVB), the Council as 95% shareholder in AVB, agrees for a detailed examination of the accounts of AVB to be carried out as a matter of urgency by AVDC's internal audit team and a report of this be delivered to the Audit Committee.

The terms of reference for the cross party group are:

- Oversee the implementation of the 22 recommendations to strengthen governance processes and controls over commercial investments (see attached)
 - The majority of recommendations made in the Aylesbury Vale Broadband (AVB) Review (June 2018) will only become applicable when a new company is formed or financial investment is made. To ensure that the learnings identified from the review become embedded, our policies, procedures and working practices need to be updated. The "Guide to creation and working with companies in which AVDC has a financial interest" ("the Guide") sets out the current protocols and is already part of the Council's Constitution (Section G, Appendix K). For other recommendations, updates to the Code of Conduct are required.
 - Recommendation 17 relates to the treatment of confidential council information. Issues relating to breaches of the code of conduct will be investigated by the Council's Monitoring Officer, the results of work will be reported to the cross party group.

- Agree the scope for work on the "examination of the accounts of AVB" as set out in resolution 2, and receive the draft report prior to delivery to audit committee.

- Timing – work to be concluded by end of December to align with conclusion of warranty period.

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Audit Committee
8 October 2018

AUDIT COMMITTEE WORK PROGRAMME

1 Purpose

- 1.1 To discuss, amend and approve the future work programme for the Audit Committee.

2 Recommendations/for decision

- | | |
|-----|---|
| 2.1 | The Committee is asked to review, amend and approve the proposed work programme. Appendix 1 |
|-----|---|

3 Supporting information

- 3.1 The proposed programme has been prepared taking into account the comments and requests made at previous Audit Committee meetings and the requirements of the Internal and External Audit process.
- 3.2 The Committee is asked to consider whether they wish to add or remove any items and whether the timing of items is appropriate to their needs.
- 3.3 The Committee is also asked to consider whether there are any additional areas or topics not included in the current work programme which they would like to add.

4 Reasons for Recommendation

- 4.1 To allow members of the Audit Committee to amend and agree their work programme.

5 Resource implications

- 5.1 An allowance is always included in the Annual Internal Audit Plan to support the work of the Audit Committee. There are no additional direct resource requirements arising from this report.

Contact Officer

Kate Mulhearn – Corporate Governance Manager
Tel: 01296 585724

Background Documents

None

AUDIT COMMITTEE WORK PROGRAMME 2018-19 & 2019-20

Item	Contact Officer	26 Jun 2018	23 July 2018	8 Oct 2018	28 Jan 2019	25 Mar 2019	26 Jun 2019	29 Jul 2019	7 Oct 2019
Audit Committee Work Programme	Kate Mulhearn	X	X	X	X	X	X	X	X
Member Training / Briefing Sessions (TBC)	Kate Mulhearn	X	X	X	X	X	X	X	X
Audit Committee Annual Report	Kate Mulhearn				X			X	
Audit Committee Review of Effectiveness	Kate Mulhearn				X				
External Audit Plan & fee letter	Nuala Donnelly				X				
External Audit - Audit Results Report (ISA 260)	Nuala Donnelly		X					X	
External Audit Annual Letter	Nuala Donnelly		X					X	
External Audit AGR for Grant Claims	Nuala Donnelly				X				
External Audit Update / Progress Report	Nuala Donnelly	X		X			X		X
Annual Internal Audit Strategy and Plan	Kate Mulhearn	X				X	X		
Internal Audit Annual Report	Kate Mulhearn	(X)	X				X		
(Draft) Annual Governance Statement	Kate Mulhearn	(X)	X				(X)	X	
Internal Audit Progress & Internal Audit Review Reports	Kate Mulhearn	X	X	X	X	X	X	X	X
Risk Management Report	Kate Mulhearn	X	X	X	X	X	X	X	X
Fraud Update Report (as required)	Kate Mulhearn								
Reviews of Company Governance	Kate Mulhearn								
Statement of Accounts	Andrew Small	X					X		
Post Audit Statement of Accounts	Andrew Small		X					X	
Working Balances	Andrew Small					X			

* Reports will be prepared and presented by External Audit Manager, Adrian Balmer (EY)

AUDIT COMMITTEE: ACTIONS TRACKER 2017-2019

Decision			Tracking			
Meeting Date Action ID	Item and Recommendations	Contact Officer	Further Action (Yes/No)	Committee	Meeting Date	Status (√/O/X)

ACTIONS ONGOING

27/11/2017 AT 1/17	Planning and Planning Enforcement Review (IA Progress Report) 1. To monitor progress made in putting in place KPIs and a meaningful complaints system for Planning and Planning Enforcement	Henry Allmand	Yes	Audit Audit	22/1/18 8/10/18	√ O
12/06/2018 AT 5/18	Aylesbury Vale Broadband Report 1. To monitor implementation of AVB report recommendations, as per Audit Committee recommendations	Kate Mulhearn	Yes	Council Cabinet Audit	28/6/18 10/7/18 8/10/18	√ √ O
12/06/2018 AT 6/18	Corporate Risk Register (28 June 2018 meeting) Request to Strategic Board as follows:- 1. Add a new risk relating to the quality of planning service delivery 2. Risk 10 (Technical Professional Specialists) – maintain risk rating at ‘High’ 3. Fail to manage & deliver the requirements of the SLA for HS2 – keep on CRR for the time being. 4. Woodlands Development – consider adding as a new risk	Kate Mulhearn	Yes	Strategic Board Audit	5/9/18 8/10/18	√ O

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