

To the Chair and Members
of the Audit and Governance Committee

Please ask for: Sharon Sissons
Direct Dial: 01392 265115
Email: sharon.sissons@exeter.gov.uk
Our ref:
Your ref:

A meeting of the **AUDIT AND GOVERNANCE COMMITTEE** will be held in the Rennes Room, Civic Centre, Paris Street, Exeter at **5.30 pm** on **WEDNESDAY 27 NOVEMBER 2013** to consider the following business. If you have an enquiry regarding any items on this agenda, please contact Sharon Sissons, Democratic Services Officer (Committees) on **Exeter 265115**.

Entry to the Civic Centre can be gained through the Customer Service Centre, Paris Street.

Pages

AGENDA

Part I: Items suggested for discussion with the press and public present

1 **APOLOGIES**

To receive apologies for absence from Committee Members.

2 **MINUTES**

To sign the minutes of the meeting held on 26 September 2013.

3 **DECLARATIONS OF INTEREST**

Councillors are reminded of the need to declare any disclosable pecuniary interests that relate to business on the agenda and which have not already been included in the register of interests, before any discussion takes place on the item. Unless the interest is sensitive, you must also disclose the nature of the interest. In accordance with the Council's Code of Conduct, you must then leave the room and must not participate in any further discussion of the item. Councillors requiring clarification should seek the advice of the Monitoring Officer prior to the day of the meeting.

4 **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 -
EXCLUSION OF PRESS AND PUBLIC**

RESOLVED that, under Section 100A94) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of Appendix B of item 11 on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1, Schedule 12A of the Act.

Office of Corporate Manager Democratic & Civic Support

Civic Centre, Paris Street, Exeter, EX1 1JN

Tel: 01392 277888

Fax: 01392 265593

www.exeter.gov.uk

5	<u>ANNUAL AUDIT LETTER 2013 (GRANT THORNTON)</u>	
	The Council's External Auditor, Grant Thornton, will present the Audit Judgement – <i>report circulated</i>	5 - 18
6	<u>INTERNAL AUDIT PROGRESS REPORT</u>	
	To consider the report of the Audit Managers – <i>report circulated</i>	19 - 30
7	<u>REVISION OF THE INTERNAL AUDIT PLAN 2013/14</u>	
	To consider the report of the Audit Managers – <i>report circulated</i>	31 - 32
8	<u>PROTOCOL FOR RECORDING COMMITTEE MEETINGS</u>	
	To consider the report of the Corporate Manager Democratic Services and Civic Support - <i>report circulated</i>	33 - 38
9	<u>REGISTER OF INTEREST FORMS AND CODE OF CONDUCT</u>	
	To consider the report of the Head of Legal Services/Monitoring Officer – <i>report circulated</i>	39 - 74
10	<u>PRESENTATION OF THE CORPORATE GOVERNANCE RISK REGISTER QUARTERLY REVIEW</u>	
	To consider the report of the Corporate Manager Policy, Communications and Community Engagement – <i>report circulated</i>	75 - 76

Part II: Item Suggested For Discussion with the Press and Public Excluded

11	<u>CORPORATE GOVERNANCE RISK REGISTER QUARTERLY REVIEW (APPENDIX B)</u>	
	To consider the report of the Corporate Manager Policy, Communications and Community Engagement – <i>report circulated to Members</i>	77 - 82

<u>DATE OF NEXT MEETING</u>

The next meeting of the Audit and Governance Committee will be held on
Wednesday 12 March 2014 at 5.30 pm

<p><i>Membership -</i> Councillor Simon Bowkett (Chair), Councillors Baldwin (Deputy Chair), Branston, Choules, D J Henson, Laws, Leadbetter, Morris, Payne, Ruffle and Spackman</p>
--

Find out more about Exeter City Council services by looking at our web site <http://www.exeter.gov.uk>. This will give you the dates of all future Committee meetings and tell you how you can ask a question at a Scrutiny Committee meeting. Alternatively, contact the Democratic Services Officer (Committees) on (01392) 265115 for further information.

Individual reports on this agenda can be produced in large print on request to Democratic Services (Committees) on 01392 265111.



Please remember to recycle. If you would prefer not to receive paper copies please let us know. Contact Democratic Services (Committees) 01392 265197 or email committee.services@exeter.gov.uk

This page is intentionally left blank



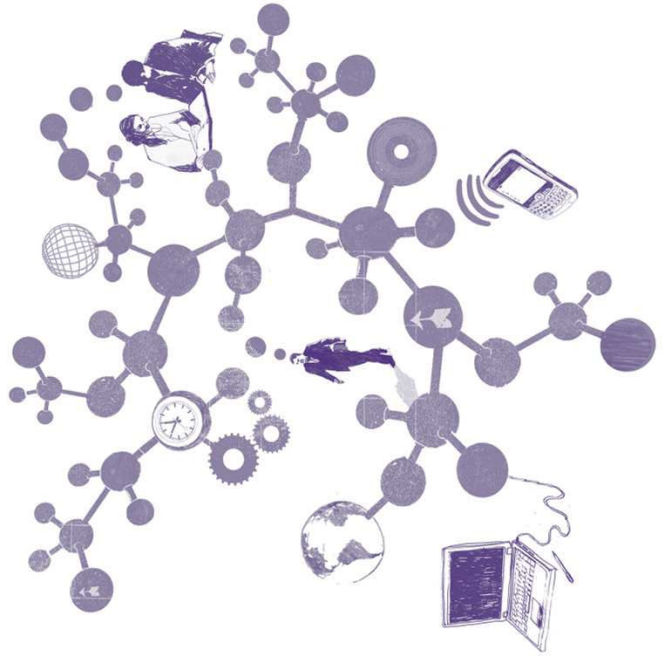
The Annual Audit Letter for Exeter City Council

Year ended 31 March 2013

October 2013

Barrie Morris
Engagement Lead
T 0117 305 7708
E barrie.morris@uk.gt.com

Nigel Timmins
Audit Manager
T 0117 305 7810
E nigel.b.timmins@uk.gt.com



Contents

Section	Page
1. Executive summary	3-5
2. Audit of the accounts	6-7
3. Value for Money	8-9
4. Certification of grant claims and returns	10-11

Appendices

A Reports issued and fees

Section 1: Executive summary

-
01. Executive summary
 02. Audit of the accounts
 03. Value for Money
 04. Certification of grant claims and returns

Executive summary

Purpose of this Letter

Our Annual Audit Letter ('Letter') summarises the key findings arising from the following work that we have carried out at Exeter City Council ('the Council') for the year ended 31 March 2013:

- auditing the 2012/13 accounts and Whole of Government Accounts submission (Section two)
- assessing the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (Section three)
- certification of grant claims and returns (Section four).

The Letter is intended to communicate key messages to the Council and external stakeholders, including members of the public. We reported the detailed findings from our audit work to the Audit and Governance Committee in the Audit Findings Report on 26 September 2013.

Responsibilities of the external auditors and the Council

This Letter has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission (www.audit-commission.gov.uk).

The Council is responsible for preparing and publishing its accounts, accompanied by an Annual Governance Statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources (Value for Money).

Our annual work programme, which includes nationally prescribed and locally determined work, has been undertaken in accordance with the Audit Plan that we issued on 26 June 2013 and was conducted in accordance with the Audit Commission's Code of Audit Practice ('the Code'), International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

Audit conclusions

The audit conclusions we have provided in relation to 2012/13 are as follows:

- an unqualified opinion on the accounts which give a true and fair view of the Council's financial position as at 31 March 2013 and its income and expenditure for the year
- an unqualified conclusion in respect of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources
- an unqualified conclusion on the Council's Whole of Government Accounts submission
- we have certified two grant claims and returns, both of which were certified without amendment.

Executive summary

Key areas for Council attention

We summarise here the key messages arising from our audit for the Council to consider as well as highlighting key issues facing the Council in the future.

We did not identify any adjustments affecting the Council's reported financial position. We agreed a small number of minor adjustments to the classification and presentation of information. We issued an unqualified audit opinion on the financial statements.

Our value for money work did not identify any significant issues and we issued an unqualified conclusion. We identified a small number of areas for the Council to consider going forward.

Our work on the Council's Whole of Government Accounts return (WGA) did not identify any issues and we issued an unqualified assurance statement.

Looking forward the Council faces significant challenges:

- the Council faces difficult financial pressures in the years ahead and is currently developing more detailed saving plans to ensure all financial requirements are met;
- increased demand for services, along with the welfare reform will put additional pressures on the Council's budget; and
- ensuring the Council realises the benefits of its transformation programme including implementing its enhanced corporate arrangements for risk management and procurement

Acknowledgements

This Letter has been agreed with the Chief Executive and will be presented to the Audit and Governance Committee on 27 November 2013.

We would like record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff.

Grant Thornton UK LLP
October 2013

Section 2: *Audit of the accounts*

- 01. Executive summary
- 02. Audit of the accounts**
- 03. Value for Money
- 04. Certification of grant claims and returns

Audit of the accounts

Audit of the accounts

The key findings of our audit of the accounts are summarised below:

Preparation of the accounts

The Council presented us with draft accounts on 27 June 2013, in accordance with the national deadline. Working papers supporting the accounts were made available from the start of the audit fieldwork.

The accounts were prepared to a good standard and all requests for additional information were dealt with promptly by the finance team

Issues arising from the audit of the accounts

We did not identify any adjustments affecting the Council's reported financial position. We made a small number of adjustments to the classification of items in the main financial statements and to the presentation of information in the supporting notes to the accounts.

Annual governance statement

The Council's Annual Governance Statement complied with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom (CIPFA/LASAAC) and contained the elements prescribed in '*Delivering Good Governance in Local Government: Framework*' issued by CIPFA/SOLACE.

Whole of Government Accounts return (WGA)

We completed our work in line with the Audit Commission's guidance. The Council's return was below the threshold for undertaking a full audit of the consolidation pack. We issued a short form assurance statement in advance of the national deadline which confirmed that the required information was consistent with the statutory accounts.

Conclusion

Prior to giving our opinion on the accounts, we are required to report significant matters arising from the audit to 'those charged with governance' (defined as the Audit and Governance Committee at the Council). We presented our report to the Committee on 26 September 2013 and summarise only the key messages in this Letter.

We issued an unqualified opinion on the Council's 2012/13 accounts on 26 September 2013, ahead of the deadline set by the Department for Communities and Local Government.

Our opinion confirmed that the accounts give a true and fair view of the Council's financial position and of the income and expenditure recorded by the Council.

Section 3: Value for Money

- 01. Executive summary
- 02. Audit of the accounts
- 03. Value for Money**
- 04. Certification of grant claims and returns

Value for Money

Scope of work

The Code describes the Council's responsibilities to put in place proper arrangements to:

- secure economy, efficiency and effectiveness in its use of resources
- ensure proper stewardship and governance
- review regularly the adequacy and effectiveness of these arrangements.

We are required to give a VFM conclusion based on the following two criteria specified by the Audit Commission which support our reporting responsibilities under the Code:

The Council has proper arrangements in place for securing financial resilience. The Council has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.

The Council has proper arrangements for challenging how it secures economy, efficiency and effectiveness. The Council is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

Key findings

Securing financial resilience

We have undertaken a review which considered the Council's arrangements against the three expected characteristics of proper arrangements as defined by the Audit Commission:

- financial governance
- financial planning
- financial control.

Our work highlighted a small number of findings that the Council should focus on. However, none of these were considered to be significant issues and did not impact on our value for money conclusion. Further details are provided in our Financial Resilience report issued to the Audit & Governance Committee in September 2013.

Challenging economy, efficiency and effectiveness

We have reviewed whether the Council has prioritised its resources to take account of the tighter constraints it is required to operate within and whether it has achieved cost reductions and improved productivity and efficiencies.

Our work we did not highlight any issues that required reporting.

Overall VFM conclusion

On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2013.

Section 4: Certification of grant claims and returns

- 01. Executive summary
- 02. Audit of the accounts
- 03. Value for Money
- 04. Certification of grant claims and returns**

Certification of grant claims and returns

Introduction

We are required to certify certain of the claims and returns submitted by the Council. This certification typically takes place some six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

At the point of preparing this audit letter we have certified two of the three grant claims and returns for the financial year 2012/13 relating to expenditure of £73.5M. We did not identify any issues with the claims and certified them without amendment.

The final claim outstanding item for 2012/13 relates to the Council's Housing and Council Tax Benefits claim which is not due for audit certification until the end of November 2013.

Approach and context to certification

Arrangements for certification are prescribed by the Audit Commission, which agrees the scope of the work with each relevant government department or agency, and issues auditors with a Certification Instruction (CI) for each specific claim or return.

Key messages

Our certification work is on-going and we will present the messages from our work in our certification report which will be issued to the Council in December 2013.

Appendices

Appendix A: Reports issued and fees

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

Fees	Per Audit plan £	Actual fees £
Audit Fee	76,283	76,283
Grant certification fee	14,650	*14,650
Total fees	90,933	90,933

(* indicative fee, pending completion of the grants work in November. It is possible the final fee could be higher or lower than the indicative fee depending on the work needed to certify the grants).

Fees for other services

Service	Fees £
Review of VAT transactions	5,200

Reports issued

Report	Date issued
Audit Plan	June 2013
Audit Findings Report	September 2013
VfM – Financial Resilience Report	September 2013
Annual Audit Letter	October 2013
Certification report	Due December 2013



© 2013 Grant Thornton UK LLP. All rights reserved.
'Grant Thornton' means Grant Thornton UK LLP, a limited liability partnership.

Grant Thornton is a member firm of Grant Thornton International Ltd (Grant Thornton International). References to 'Grant Thornton' are to the brand under which the Grant Thornton member firms operate and refer to one or more member firms, as the context requires. Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered independently by member firms, which are not responsible for the services or activities of one another. Grant Thornton International does not provide services to clients.

grant-thornton.co.uk

AUDIT AND GOVERNANCE COMMITTEE

27 NOVEMBER 2013

INTERNAL AUDIT PROGRESS REPORT

1. PURPOSE OF THE REPORT

- 1.1 To report on internal audit work carried out during the period 1st July to 30th Sept 2013, to advise on overall progress against the Audit Plan and to report any emerging issues requiring consideration.

2. BACKGROUND

- 2.1 This Committee is responsible for the implementation and active monitoring of audit processes and actions, which includes performance against the annual audit plan, reviewing quarterly internal audit progress reports and seeking responses and assurance from management regarding audit recommendations that have not been accepted or those not implemented within a reasonable timescale. The 2013/14 Audit Plan was approved at Scrutiny Resources Committee on 20th March 2013.
- 2.2 The purpose of Internal Audit is to provide an independent and objective review of the adequacy and effectiveness of the Council's arrangements for internal control, risk management and governance. The activities we audit are given an assurance rating as follows:

Excellent	★★★★★	The areas reviewed were found to be well controlled, internal controls are in place and operating effectively. Risks against achieving objectives are well managed.
Good	★★★★	Most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but a few areas for improvement have been identified.
Some improvement required	★★★	There is a basic control framework in place, but not all risk are well managed and a number of controls are required to be strengthened.
Significant improvement required	★★	Most of the areas reviewed were not found to be adequately controlled. Risks are not well managed and require controls to be strengthened to ensure the achievement of system objectives
Fundamental weakness	★	Controls are seriously lacking or ineffective in their operation. No assurance can be given that the system's objectives will be achieved

3. WORK UNDERTAKEN

- 3.1 Internal Audit's objective is to examine the Council's financial and non-financial systems to check that there are adequate internal controls in place to prevent loss due to frauds, errors and inefficiency, and due attention is paid to corporate governance and risk management.

- 3.2 A summary of progress against the annual audit plan to date is shown at Appendix A, together with the current status of each area for review and the outcomes of the review, where completed.
- 3.3 The table is based on the audit plan and the systems grouped into the twelve strategic purposes as per the Corporate Plan.
- 3.4 A further summary of the outcomes of audits completed can be found at Appendix B.
- 3.5 Progress against the annual audit plan is good, however, one member of the audit team is due to go on maternity leave in December 2013, which will result in a reduction of resources for the final quarter of 26 days. Details of the adjustments required to the Internal Audit Plan 2013/14 have been presented in a separate report.

4. **ISSUES FOR CONSIDERATION**

Fundamental Weakness

- 4.1 **Debtors (2012/13)** – the Internal Audit report issued 12/07/2013 identified a number of weaknesses and using the audit assurance rating scheme the debtors system is rated as having a Fundamental weakness. The reasons for this are:

- Inconsistent debt recovery guidance and policies
- Old debtor bank account details not deleted
- Many instances of multiple debtor accounts for the same person or business
- Services continuing to be supplied to individuals/business despite outstanding debts
- Errors in VAT coding
- Fees being charged outside of the approved fees and charges
- Delayed or no reminders for outstanding debts
- Insufficient recovery action for outstanding debts
- Debt recovery suppressions not reviewed
- Debt write-offs not appropriately authorised

Since issuing this report the Council's debt recovery systems have been undergoing a systems review and we hope that the recommendations of our report will be taken into account in designing the new system.

Recommendations Not Accepted

- 4.2 **Housing Benefit Subsidy (2012/13) - report issued 11th July 2013 - Medium Risk**

The testing identified one case where a DWP notification received on 18/02/13 advising of a change of circumstances, affecting benefit entitlement, was not actioned until almost a month later (12/03/13). A benefits figures report was obtained and found that as at 17 May 2013 there were 4,262 items of post outstanding, including 3,465 items more than seven days old.

As a result the recommendation was that procedures should be reviewed and amended to prevent backlogs of post containing important change of circumstances information. Change of circumstances information needs to be promptly identified and actioned as overpayments of benefit caused by change of circumstances not actioned promptly by the Council can affect the HB subsidy received by the Council.

The Housing Benefit Manager, did not agree with this recommendation. She advised:

We do not feel that there is issue with the procedures themselves. The section is going through a period of major change as part of our system review work as well as an increase in the number of customers being seen on the front line as a result of welfare reform changes. This has contributed to the backlog. We are mindful that the backlog does impact on customers and subsidy and it is being managed and reduced as quickly as resources allow.

This issue has been reported to the Senior Management Team.

4.3 Markets and Halls - report issued 4th July 2013 - Medium Risk

The testing identified that, copies of public liability certificates were not always requested and checked by staff at the Corn Exchange when booking larger artists or events. As a result the recommendation was that Markets and Halls should request public liability certificates from hirers to ensure that the relevant public liability insurance cover is in place.

The Facilities and Markets Manager did not agree with this recommendation. He advised:

Some elements of the larger self-promoted events for example the venue and ECC owned equipment are the responsibility of the Corn Exchange and so covered by ECC public liability insurance.

The artists require their own public liability insurance to cover incidents for which they are responsible for example incidents resulting from their own equipment or actions. However to request evidence of cover is not the industry norm and would add to the difficulties in confirming events which would make us less attractive to major promoters/artists (the easier the contractual/booking process the more likely that artists/promoters would want to work with the venue).

We do request PLI certificates from all regular hirers and those holding one-off events which are viewed as a risk

This issue has been reported to the Senior Management Team.

4.4 Facilities Management - report issued 29th September 2013 - Medium Risk

The testing identified that the amount being charged for the hire of the Guildhall does not always agree to the published Rate of Charges. As a result it was recommended that hire fees should be in accordance with the Rate of Charges.

The Lord Mayor's Support Officer, in conjunction with Corporate Manager Democratic/Civic Support did not agree with this recommendation, they advised:

'the booking fee for a hire request is decided upon on a case by case basis and will not necessarily be in accordance with the standard fees. Consideration is given as to the organisation wanting to hire the room and the reason for the hire, for example in order to forge greater links with local charities, faith groups and organisations, it may be appropriate to charge a lesser fee. Additionally, some organisations may have a limited budget but because of the potential for further bookings resulting from the original hire, a lesser fee is acceptable.'

This issue has been reported to the Senior Management Team.

4.5 During the second quarter of this year, there are no instances of management accepting a recommendation which was not subsequently implemented within a reasonable timescale.

5. RECOMMENDATIONS

- 5.1 That the Internal Audit Progress Report for the second quarter of the year 2013/14 be noted.
- 5.2 That the Committee decide whether the audit report recommendations not accepted by management, as detailed in section 4 above, are acceptable risks to the Council.

AUDIT MANAGERS

Local Government (Access to Information) Act 1972 (as amended) **Background papers used in compiling this report:-**

None

**EXETER CITY COUNCIL
AUDIT AND GOVERNANCE COMMITTEE**

PROGRESS OF 2013/14 AUDIT PLAN AS AT 30/09/13

Audit Area	Budget Days	Actual Days	Report Status	Direction of travel since last audit	Assurance Rating	Number of findings		
						High	Med	Low

Leader

'A stronger city'

People Management	30	18.4	In progress					
External Funding & Grants	10	3.3	Completed	↔	Good	0	2	0

Enabling Services

'A well run Council'

'Maintain our property assets of the city'

Main Accounting 2013-14	25	11.3						
- Budget Setting & VAT			Completed	↔	Good	0	1	2
- System Management			Start Q4					
- Year end processes			Start Q1 14/15					
Income Management	22	5.2	Start Q4					
Creditors	55	26.5	In progress					
Debtors	12	12.2	Start Q4					
Insurance	5	0.9	Start Q4					
ICT	40	22.8						
- Operations Management			In progress					
- System Security			Start Q4					
Business Continuity	10	0	Start Q4					
Risk Management	10	1.1	Start Q3					
Contracts and Procurement	30	9.2	Ongoing					
Facilities Management (Guildhall Private Hire)	7	8.0	Completed	No previous report	Some improvement required	0	8	3
Counter Fraud/Anti-Fraud	20	3.8	Start Q3					
Corporate governance	15	3.4	Start Q3					
Information Governance	15	3.5	Ongoing					
External Audit & NFI	5	8.6	Completed	↔	Good	0	1	5

Housing and Customer Access

'Provide suitable housing'

'Be a good landlord'

'Help me with my financial problem'

'Make it easy for me to pay you'

Housing - Right to Buy - Home Contents Insurance	68	31.0	Completed In progress	↓	Some improvement required	1	6	7
Housing Benefits - Welfare Support payments - Housing Benefit Subsidy	60	41.7	Completed Start Q3	No previous report	Some improvement required	0	8	2
Council Tax	30	13.3	In progress					
NDR	11	0.7	Start Q3					

Environment, Health & Wellbeing

'Keep place looking good'

'Keep me/my environment safe'

Health & Safety	12	0.7	Withdrawn					
Allotments	7	9.3	Final	No previous report	Some improvement required	0	8	5
Bereavement Services	8	8.7	Completed	↔	Good	0	3	4
Licensing	7	0.2	Deferred to 14/15					
Fleet Management	7	3.0	In progress					
Sustainability	8	0.8	Deferred to 14/15					

Economy and Culture

'Provide great things for me to see and do'

'Help me run a successful business'

Museums Service	14	2.4	In progress					
Markets and Halls	7	6.0	Completed	No previous report	Good	0	2	4
Leisure Contract	7	11.1	Completed	No previous report	Good	0	6	3
Car Parks	8	0.4	Start Q4					

City Development

'Deliver good development'

Planning Control	10	1.8	Start Q3					
Building Control	8	0.5	Start Q3					
Land Charges	6	5.3	Completed	↔	Good	0	1	2

Contingency (special/frauds)	50	23.3						
Total	639	326.4						

Results of reports finalised during 2013/14 relating to 2012/13 – see Appendix B for summary of reports

Audit Area			Report Status	Direction of travel since last audit	Assurance Rating	Number of findings		
						H	M	L
Main Accounting 2012-13 Part 2 Final Accounts			Completed	↔	Good	0	1	4
Creditors Duplicate Payments 2012-13			Completed	↔	Good	0	4	2
Debtors 2012-13			Completed	↔	Fundamental Weakness	0	11	19
HB Subsidy 12/13			Completed	↓	Some improvement required	1	3	9

This page is intentionally left blank

**EXETER CITY COUNCIL
AUDIT AND GOVERNANCE COMMITTEE**

**Internal Audit Summary of Work Completed
July to September 2013/14**

Audit Area	Summary
<p>Main Accounting 2012/13 (Year end)</p> <p>Assurance rating: Good ★★★★★</p>	<p>This audit is carried out in two parts. The first part is usually undertaken in July/August and includes a review of budget setting process for the forthcoming year and VAT. The second part is undertaken after closedown of the accounts to enable the year end processes to be reviewed and to ensure that transactions from the whole year are tested. This audit includes a review of the accuracy of financial records, journals and internal transactions, suspense and holding accounts, bank reconciliations, capital accounting and final accounts.</p> <p>A total of 1 medium risk and 4 low risk recommendations were made as a result of the audit, all of which were accepted by management. The medium risk finding was in respect of the accuracy of the asset register held and the resulting recommendation was that Finance should review the way in which they record information about the asset register and identify a method which is more robust and less prone to inadvertent changes. Acting Assistant Director Finance advised that it is intended to implement the Fixed Asset module of EFINS (the Accounting system) by March 2014.</p>
<p>Creditor Duplicate Payments 2012/13</p> <p>Assurance rating: Good ★★★★★</p>	<p>A matching exercise was conducted to identify duplicate payments. It did not test to see if our suppliers were invoicing us twice for the same items on different invoices as this is to be tested in Autumn 2013.</p> <p>For the period 01/04/12 to 31/03/13, 22 duplicate payments were identified to a value of £2392, for which refunds have now been obtained.</p> <p>A total of 4 medium risk and 2 low risk recommendations were made as a result of the audit, all of which were accepted by management. The medium risk findings all relate to human errors and Finance have issued reminders to staff about the importance of accuracy.</p>
<p>HB Subsidy 2012/13</p> <p>Assurance rating: Good ★★★★★</p>	<p>This audit sought to provide assurance that housing benefit applications had been processed in accordance with Housing Benefit subsidy regulations during 2012/13. A total of 1 high risk and 3 medium risk recommendations were made of which all but one medium risk recommendation were accepted. The high risk finding relates to incorrect benefit entitlement calculations.</p>
<p>Debtors 2012/13</p> <p>Assurance rating: Fundamental Weakness ★</p>	<p>This system has been identified to have a fundamental weakness and details are included in the main report.</p>
<p>External Funding and Grants</p> <p>Assurance rating: Good ★★★★★</p>	<p>The Council receives a number of different grants and external funding sources and an audit of these was conducted. The only matters arising related to a lack of awareness by some managers regarding specific grant conditions, although it should be noted that no conditions were broken. An email has been sent to staff to remind them to ensure that they familiarise themselves with the conditions of any grant income they are responsible for.</p>

<p>Main Accounting 2013/14 (Budget setting and VAT)</p> <p>Assurance rating: Good ★★★★★</p>	<p>This audit is now carried out in three parts. This is the first part for 2013/14 accounts and checks the budget setting process and, for the first time this year, the management of VAT. The second part of the testing will take place in January 2014 and the third part, relating to the closure of the 2013-14 accounts will take place in June 2014.</p> <p>A total of 1 medium risk and 2 low risk recommendations were made as a result of the audit, all of which were accepted by management. The medium risk finding was in respect of staff duties not being regularly rotated to other members of staff and the resulting recommendation was that the duty of updating the Collaborative Planning module is regularly rotated amongst Finance staff to ensure expertise is spread throughout the team. Acting Assistant Director Finance advised that the team is about to be restructured and this will be implemented as part of the restructure.</p>
<p>Facilities Management - Guildhall Private Hire</p> <p>Assurance rating: Some improvement required ★★★</p>	<p>Upon the request of the Corporate Manager Democratic and Civic Support, when planning the 2013/14 audit work, a review of the Guildhall private hire was conducted.</p> <p>A total of 8 medium and 3 low risk recommendations were made as a result of the audit and all but one of the recommendations were accepted. Medium risk recommendations relate to hire fees, use of electronic diary/ booking system and streamlining income receipt procedures.</p>
<p>National Fraud Initiative 2012/13</p> <p>Assurance rating: Good ★★★★★</p>	<p>Since 1996 the Audit Commission has run the National Fraud Initiative (NFI), an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. This includes police authorities, local probation boards, fire and rescue authorities as well as local councils and a number of private sector bodies.</p> <p>Any matches identified are referred back to the relevant local authority to investigate and Internal Audit administers the returned data matches on behalf of Exeter City Council. All of the matches identified were investigated and none were found to be significant.</p> <p>During the exercise it was noted that the Council Tax Section did not provide any data to the Audit Commission for them to interrogate and identify any potential fraudulent single occupier discount claimants, therefore, it was recommended that the Council conducts it's own exercise in the near future. It was noted that that from a cost perspective Exeter City Council has to bear the cost of this exercise, however, any fraudulent claims would net the council only 18% of any additional monies collected, with Devon County Council netting the majority of the additional income. Consideration should be given to requesting Devon County Council to contribute, if not fully fund, any such exercise.</p>
<p>Housing – Right to Buy</p> <p>Assurance rating: Some improvement required ★★★</p>	<p>Right to Buy gives eligible people who live in council properties in England the right to buy their home at a discount (subject to all conditions being met). The scheme is open to people who are secure tenants of a local council and who have spent at least 5 years as a public sector tenant. The audit included a review of Right to Buy applications, eligibility, valuation, discounts, sales (including leasehold properties), records and reconciliations.</p> <p>A total of 1 high risk, 6 medium risk and 7 low risk recommendations were made as a result of the audit, all of which were accepted by management. The 1 high risk findings was in relation to an incorrect calculation of the applicant's qualifying period resulting in an incorrect calculation of the discount awarded. The applicant was awarded £15,120 too much discount. Legislation regarding the calculation of an applicant's qualifying period is complex and on this occasion was not interpreted correctly. A number of recommendations were made including:</p> <ul style="list-style-type: none"> • providing further training to staff involved in the process on the legislation • that calculations are checked by a second employee

	<ul style="list-style-type: none"> • clarification should be sought from Legal Services if there is any doubt over how qualifying periods should be calculated
<p>Welfare Support Payments</p> <p>Assurance rating: Some improvement required ★★★</p>	<p>From 1 April 2013, Exeter City Council, became responsible for administering a scheme of local welfare support (LWS) via a funding agreement with Devon County Council. This is an interim arrangement for a period of two years. The council has signed a partnership agreement with Devon County Council which specifies the agreed terms, the distribution of local welfare support.</p> <p>The Devon Local Government Steering group have specified that the local welfare support scheme is intended to achieve three strategic outcomes:</p> <ul style="list-style-type: none"> • Increased self-reliance and resilience • Quick and effective support for those with high priority needs • Help for people to establish themselves in, or remain in the community <p>The audit sought assurance that the council was complying with the terms of the partnership agreement and to review the effectiveness of the internal controls in place.</p> <p>A total of 8 medium risk and 2 low risk recommendations were made. All recommendations have been accepted. The medium risk recommendations relate to the introduction of password protection for certain data sets, checking for previous applications, reconciliation of Co-Op vouchers issued, accurately recording payments made on the relevant decision sheet and reconciling total expenditure.</p>
<p>Bereavement Services</p> <p>Assurance rating: Good ★★★★★</p>	<p>The Council currently has three cemeteries, Higher Cemetery located in Heavitree, Exwick Cemetery and Topsham Cemetery. Each of the cemeteries offer full burials, burial of ashes, a non-denomination chapel and a range of memorial options.</p> <p>The audit included a review of burial services, renewal of exclusive rights and memorials, arranging a burial service or memorial, installation and checking of memorials and banking of income. A total of 3 medium risk and 4 low risk recommendations were made all of which were agreed by management.</p>
<p>Markets and Halls</p> <p>Assurance rating: Good ★★★★★</p>	<p>The Council operates two event venues, the Corn Exchange and the Matford centre.</p> <p>This audit reviewed the internal controls and processes in place for the management of both. A total of 2 medium and 4 low risk recommendations were made. All but one medium risk recommendation were accepted by management.</p>
<p>Leisure Contract</p> <p>Assurance rating: Good ★★★★★</p>	<p>Parkwood Leisure was awarded a 10 year contract to operate all council owned leisure facilities with effect from September 2010. The main responsibility of the contractor is the successful management, maintenance and operation of the facilities in line with the Council's corporate vision and priorities for the service. The contractor has to promote and encourage the widest use of the facilities by providing a substantial and varied programme of activities at the each of the sites, designed to attract customers from all age groups, abilities, ethnic groups and social classes.</p> <p>The scope of the audit included a review of the service provider's compliance with the terms of the contract, payments under the contract, performance measurement and the requirement for Parkwood Leisure to implement a service improvement plan. A total of 6 medium risk and 3 low risk recommendations were made, all of which were accepted by management.</p>
<p>Land Charges</p>	<p>Land charges / Local Authority Searches form part of the conveyancing process when buying and selling houses. Land charges</p>

Assurance rating:
Good ★★☆☆

/ Local Authority Searches are designed to ensure that purchasers of properties are not caught unawares by obligations on those properties. Searches are submitted by solicitors to the Council to enquire what restrictions etc there are on a particular property.

The audit reviewed the controls and processes in place. A total of 1 medium and 2 low risk recommendations were made, all of which were accepted by management. The medium risk finding related to document retention.

EXETER CITY COUNCIL

AUDIT AND GOVERNANCE COMMITTEE 27 NOVEMBER 2013

REVISION OF INTERNAL AUDIT PLAN 2013/14

1. PURPOSE OF THE REPORT

- 1.1 To seek the Committee's approval for the revision of the 2013/14 Internal Audit Plan.

2. BACKGROUND

- 2.1 The Internal Audit Annual Plan was approved by the Scrutiny Resources Committee at its meeting on 20 March 2013.
- 2.2 As a result of one of the members of the Internal Audit Team taking maternity leave from December 2013 the resources available will be reduced and therefore it will be necessary to make adjustments to the audit plan.
- 2.3 The overall reduction in the number of audit days for the last quarter of this financial year will be 26 days.
- 2.4 It is proposed to adjust the Audit Plan for 2013/14 to meet this shortfall as follows:

Health and Safety – to be withdrawn from the plan as a full audit will be undertaken next year as part of the rolling plan = 11.3 days saving
Licensing – to be deferred to 13/14 = 6.8 days saving
Sustainability – to be deferred to 13/14 = 7.2 days saving

Total saving = 25.3 days, remainder to be met from contingency time

3. RECOMMENDATION

- 3.1 That the revised 2013/14 Internal Audit Plan be approved.

AUDIT MANAGERS

ASSISTANT DIRECTOR FINANCE

Local Government (Access to Information) Act 1972 (as amended)
Background papers used in compiling this report:-

None

This page is intentionally left blank

EXETER CITY COUNCIL

AUDIT AND GOVERNANCE COMMITTEE 27 NOVEMBER 2013

PROTOCOL FOR RECORDING AT COUNCIL MEETINGS

1 PURPOSE OF REPORT

- 1.1 This report asks Members to consider adopting a Protocol to regulate filming and recording of public meetings by members of the public.

2 BACKGROUND

- 2.1 In June 2013 the Department for Communities and Local Government (DCLG) published a guide: 'Your council's cabinet – going to its meetings, seeing how it works; a guide for local people', which refers to the public's right to film Council meetings. The Secretary of State for Communities and Local Government has recently been championing the right of individuals to do so.
- 2.2 In response to this guidance Council on 15 October 2013 approved the removal of Standing Order no.30 so as to allow for the recording of the Council's meetings and for the constitution be amended accordingly. Executive on 1 October 2013 resolved to instruct officers to draw up the necessary protocols to protect the wishes of members of the public who do not want to be filmed during the recording/filming of meetings of the Council and its committees.

3. SUPPORTING INFORMATION

- 3.1 The Council supports the principles of openness and transparency in the way it conducts its meetings. The Protocol adheres to these principles and provides clear guidance to members of the public in order to ensure that any recording is not disruptive, distracting or inhibiting the meeting in any way.
- 3.2 The Protocol asks those wishing to record a meeting to contact the Corporate Manager Democratic and Civic Support or his representative as early as possible before the start of the meeting, and in no circumstances later than noon on the day of the meeting so that they can be made aware of the provisions of the Protocol. Given that most mobile phones allow audio recording, the taking of photographs and video recording, it is likely that someone will decide just before, or during the meeting to make a recording. Whilst it is very difficult to stop this happening, the Protocol sets out the implications for actions in breach of the Protocol, for example if someone fails to comply with the Protocol they will be refused permission to record future meetings.
- 3.3 The Lord Mayor/Chair will make an announcement at the beginning of each meeting advising whether any requests to record the meeting have been received and referring people to the Protocol, copies of which will be available at each meeting.
- 3.4 The Protocol also covers social media reporting of meetings.

4 RECOMMENDATION

4.1 That Members be asked to adopt the Protocol appended to the report.

CORPORATE MANAGER DEMOCRATIC AND CIVIC SUPPORT

Local Government (Access to Information) Act 1972 (as amended)
Background papers used in compiling this report:-

None

EXETER CITY COUNCIL

PROTOCOL FOR RECORDING AND USE OF SOCIAL MEDIA AT COUNCIL AND COMMITTEE MEETINGS

1. Introduction

- 1.1 This Protocol provides guidance to members of the public or press who wish to photograph or record proceedings at any of the Council's meetings.
- 1.2 The Council supports the principles of openness and transparency in the way it conducts its meetings. Sound recording, photographing, filming, and use of social media at meetings which are held in public is permitted:
 - (a) subject to the provisions of this Protocol; and
 - (b) provided that the Lord Mayor/Chair is satisfied that it will not be disruptive or distracting to the good order and conduct of the meeting.
- 1.3 No restrictions will be placed on anyone using social media at a public meeting subject to the limitations regarding photography and audio/visual recording set out in this Protocol.
- 1.4 No audio/visual recording will be allowed during any parts of meetings where the press and public have been excluded during consideration of business which is confidential or exempt as defined by the Local Government Act 1972.
- 1.5 Meetings which take the form of hearings may not be suitable for recording due to the nature of some of the evidence given at the hearing. It will be at the Chair's discretion to determine whether the recording of a particular hearing will be permitted.
- 1.6 Failure to follow the provisions within this Protocol will result in the Lord Mayor/Chair refusing to allow the proceedings to be photographed or recorded.
- 1.7 For the purposes of this Protocol 'recording' includes sound recording, photographing, filming, and use of social media. Social media includes, but is not limited to Twitter, Facebook and blogs.

2. Before the meeting

- 2.1 Those wishing to record proceedings at a meeting are advised to contact the Corporate Manager Democratic and Civic Support or his representative before the meeting and in no circumstances any later than noon on the day of the meeting so that arrangements can be discussed and the agreement of the Lord Mayor/Chair can be sought.
- 2.2 The name, organisation (if applicable) and contact details of the person wishing to record proceedings are required and should be provided before the meeting if possible.

3. At the meeting

- 3.1 Notices will be displayed in the meeting room advising that proceedings may be recorded, and the Lord Mayor/Chair will make an announcement to this effect at the beginning of the meeting if a request has been received.
- 3.2 Members of the public attending a meeting to ask a question, present a petition or make a representation will be deemed to have given consent to being photographed or recorded. Only in exceptional circumstances, which must have been discussed with the Corporate Manager Democratic & Civic Support and Lord Mayor/Chair before the meeting, will applications not to be photographed or recorded be considered. Such circumstances could include protection of the individuals identity due to court proceedings etc.
- 3.3 Members of the public seated in the public seating area who actively object, should not be photographed, filmed or recorded as long as this does not undermine the broader transparency of the meeting.
- 3.4 Photography or filming must take place from a fixed position in the meeting room approved by the Lord Mayor/Chair to ensure that the view of Councillors, officers, public and press, is not obstructed and so as not to disrupt the business of the meeting.
- 3.5 The use of flash photography or additional lighting will only be permitted if agreed in advance with the Corporate Manager Democratic and Civic Support and the Lord Mayor/Chair.
- 3.6 Photography or audio/visual recording will be stopped if the Lord Mayor/Chair feels it is disrupting or inhibiting the meeting in any way or any pre-meeting agreement has been breached.
- 3.7 If someone refuses to stop recording when requested to do so the Lord Mayor/Chair will ask the person to leave the meeting. If the person refuses to leave, the Lord Mayor/Chair will adjourn the meeting or make other appropriate arrangements for the meeting to continue without disruption.
- 3.8 Anyone asked to leave a meeting because they have refused to comply with the Lord Mayor/Chair's request to do so, could be refused permission to record future meetings.

4. After the meeting

- 4.1 Photographs and audio/visual recordings must not be edited in a way that could lead to misinterpretation of the proceedings. This includes refraining from editing the views being expressed in a way that may ridicule or show lack of respect towards those being photographed or recorded.
- 4.2 Anyone making such recordings publicly available should consider any potential data protection and human rights implications of individuals they have recorded.
- 4.3 If someone fails to comply with this Protocol the Lord Mayor/Chair can refuse to allow this person to record any future meetings.

- 4.4 The responsibility for how any photographs or audio/visual recording is used rests with the person who made the recording and not the Council.

Notes:

Whether or not you are able to attend a meeting, you can make use of these facilities currently available:

- Free public WiFi in the Civic Centre and committee rooms. User name: public password: customer access
- Free access to public agendas, meeting and councillor information, minutes, decision details at www.exeter.gov.uk/committees
- Free iPad and Android apps for reading and annotating public agendas and minutes: search iTunes or Google Play for “mod.gov”
- Follow Exeter City Council on Twitter @ExeterCouncil and like at facebook.com/ExeterCityCouncil

If you have any questions please contact Democratic Services (Committees) 01392 265111.

Members of the press are asked to contact the Media Relations Officer on 01392 265103.

This page is intentionally left blank

EXETER CITY COUNCIL
AUDIT AND GOVERNANCE COMMITTEE
27 NOVEMBER 2013

MEMBER'S CODE OF CONDUCT UPDATE

1. PURPOSE OF THE REPORT

- 1.1 To remind members of the obligations on them to comply with the requirement of Exeter City Council's Code of Conduct for Members set out as Appendix 1 to this report.
- 1.2 To acquaint members with the Department of Communities and Local Government recent Guidance "Openness and transparency on personal interest" dated September 2013 set out at Appendix 4 to this report.
- 3 To remind members of the provisions of Section 106 of the Local Government Finance Act 1992.

2. Register of Discloseable Pecuniary Interests:

- 2.1 Members are required by the Localism Act 2011 to register their Pecuniary Interests. These are:
 - Employment, office, trade, profession or vocation carried out for profit or gain.
 - Sponsorship for or payment of expenses incurred by the member including elections.
 - Contracts for goods, services or works with the City council.
 - Land in Exeter in which the member has a beneficial interest.
 - Licence over land owned by the City Council
 - Tenancies between the council and an organisation in which the member has a beneficial interest.
 - Securities or shares with a value of at least £25,000 or more than 1/100 of the total issued share.
- 2.2 Members are reminded that they are also required to register their spouse and civil partner's (or any person with whom they are living with as husband or wife or civil partner) Pecuniary Interest where they are aware of them.
- 2.3 Pecuniary interest so disclosed will be maintained by the Monitoring Officer Baan Al-Khafaji and published on the Council's website.

The Monitoring Officer will endeavour to remind members to update their disclosure every six months using the form set out in Appendix 2 to this report. However, Members are reminded that the obligation to disclose interest rests with them. Disclosure of any new interest must be made to the Monitoring officer within 28 days.

- 2.4 Where a member discloses an interest, he/she must not participate in any discussion or vote on the matter at the meeting and leave the room. It is a criminal offence for a member, without reasonable excuse, to fail to notify the Monitoring Officer of a

Disclosable Pecuniary Interest or participates in any discussion or vote at a meeting where he/she had a disclosable pecuniary interest.

A Member guilty of an offence may be liable, on conviction in the Magistrates Court, to a fine not exceeding Level 5 on the standard scale (currently £5,000).

3. Declaration of Interest under Part 2 of Exeter City Council's Code of Conduct.

- 3.1 Members are reminded that they are required to declare at any Council meeting any interest where they have:

" ... any other interest in any business of the Council where it relates to the well being or financial position of the member, his/her friend, relative or close associate where a member of the public, knowing the relevant facts, would reasonably think the existence of the interest in question is likely to affect the member's judgment of the public interest."

When making such a declaration, Members are asked to complete the form prepared by the Monitoring Officer for this purpose set out in Appendix 3 to this report.

4. Department for Communities and Local Government's new Guidance on Personal Interests.

- 4.1 The new Local Government Minister Brendon Lewis has circulated amended Guidance on the registration and declaration of member's interest, highlighting the issue of trade union membership. This new Guidance is attached to this report as Appendix 4.
- 4.2 Unlike the old legislation, part 1 of the Localism Act does not empower the Secretary of state to issue statutory Guidance, so the Minister's guidance does not have the force of law.
- 4.3 The Legal requirement obliging members to register Pecuniary Interest is set out in the Relevant Authorities (Discloseable Pecuniary Interests) Regulations 2012. This lists the Pecuniary Interests which elected members must place on the public register or declare at meetings. These are set out in brief in paragraph 2.1 above.
- 4.4 The definition of Pecuniary Interests includes "sponsorship in respect of any expenses incurred for or payment of expenses incurred by the member in carrying out duties as a member, or towards a members election expenses". The regulations then say "This included any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
- 4.5 It is the Monitoring Officer view that this latest Guidance requiring members to declare their trade union membership goes beyond the legal requirement set out in the Relevant Authorities (Discloseable Pecuniary Interests) Regulations 2012. The new Guidance states:

" all sitting councillors need to register their declarable interests – both declarable pecuniary interests and other interest that must be declared and registered as required by your authorities code, or your duty to act in conformity with the seven principles of public life such as your membership of any Trade Union"

However, it is the Monitoring Officer view that this Guidance cannot oblige a member to register or declare trade union membership if the member does not receive sponsorship since the legislation does not require members to do so.

4.6 Of course it is open to members to decide whether to amend the Code of Conduct to include the requirement to disclose membership in any trade union and members are asked to consider whether they consider it prudent to do so.

5. Prohibition on members from voting on the budget when in council tax arrears. Section 106 of the Local Government Finance Act 1992.

5.1 Members are reminded that Section 106, Local Government Finance Act 1992 is still in force. This piece of legislation prohibits members from voting on the budget, council tax base or council tax levels where they are in Council tax arrears of two or more months.

5.2 Section 106 of the Local Government Finance Act 1992 applies at any time to a member of a local authority (or a member of a committee of a local authority or of a joint committee of two or more local authorities) if, at that time, a sum in respect of council tax has become payable by the member and has remained unpaid for at least two months. It effectively bars a member from voting on financial matters at any meeting of the authority, its committees or its Executive at which any of the following are considered:

(a) Any calculation required by Chapter III, IV or Part 1 of the act (i.e. budget requirement, tax base and tax);

(b) Any recommendation, resolution or other decision which might affect the making of such calculation; or

(c) The exercise of any of the functions in relation to the administration, collection or enforcement of the council tax

5.3 The member is required at the meeting to disclose that Section 106 applies to him/her as soon as practicable after the start of the meeting, and is thereafter not permitted to vote on any question with respect to such matter(s). Failure to make such a declaration followed by taking part in the vote is a criminal offence triable in the Magistrates Court which may result in a fine up to £1,000.

6. RECOMMENDED that:-

6.1 Members note the content of this report.

6.2 Members consider whether they wish to amend the Code of Conduct to expressly require Members to declare membership of trade unions.

6.3 Members note the prohibition on taking part in setting of the council tax when in arrears with their own council tax contrary to Section 106 of the Local Government Finance Act 1992.

CORPORATE MANAGER - LEGAL SERVICES & MONITORING OFFICER
Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

Exeter City Council

Code of Conduct
For Members and Co-opted Members

Together with

The Rules on Registration and Declaration of
Pecuniary and other Interests

Exeter City Council

Member's Code of Conduct

Introduction

Pursuant to section 27 of the Localism Act 2011, Exeter City Council ('the Council') has adopted this Code of Conduct to promote and maintain high standards of behaviour by its members and co-opted members whenever they conduct the business of the Council including the business of the office to which they were elected or appointed or when they claim to act or give the impression of acting as a representative of the Council.

This Code of Conduct aims to facilitate openness and accountability necessary to reinforce public confidence in the way members perform their public duties.

Definitions

For the purposes of this Code, a 'co-opted member' is a person who is not a member of the Council but who is either a member of any committee or sub-committee of the Council, or a member of, and represents the Council on any joint committee or joint sub-committee of the Council, and who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee.

For the purposes of this Code, a 'meeting' is a meeting of the Council, any of its committees, sub-committees, joint committees or joint sub-committees.

For the purposes of this Code, and unless otherwise expressed, a reference to a member of the Council includes a co-opted member of the Council.

PART 1

1. GENERAL PRINCIPLES OF CONDUCT

In carrying out their duties and in exercising the functions of the Council or otherwise acting as a councillor, members are expected to observe the following general principles of conduct. The following principles will be taken into consideration when any allegation is received of breaches of the provisions of the Code.

Selflessness: Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

Integrity: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in performance of their official duties.

Objectivity: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability: Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness: Holders of public office should be as open as possible about all the decisions and actions they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty: Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protect the public interest.

Leadership: Holders of public office should promote and support these principles by leadership and example.

2. EXPECTATIONS OF CONDUCT

1. Members shall at all times conduct themselves in a manner which will tend to maintain and strengthen the public's trust and confidence in the integrity of the Council.
2. Members shall base their conduct on consideration of the public interest and avoid conflict between personal interest and the public interest and resolve any conflict between the two in favour of the public interest.

3. RULES OF CONDUCT

When a member of the Council acts, claims to act or gives the impression of acting as a representative of the Council, he/she shall comply with the following rules.

1. Behave in such a way that a reasonable person would regard as respectful.
2. He/she shall not act in a way which a reasonable person would regard as bullying or intimidatory.
3. He/she shall not seek to improperly confer an advantage or disadvantage on any person.

4. He/she shall use the resources of the Council in accordance with its requirements.
5. He/she shall not disclose information which is confidential or where disclosure is prohibited by law.
6. He/she shall have regard to any relevant advice provided by the Council's Chief Financial Officer and the Monitoring Officer.
7. He/she shall co-operate at all times with any investigation into their conduct.

PART 2

REGISTRATION, DISCLOSURE AND DUTIES IN RESPECT OF MEMBERS' INTERESTS

1. REGISTRATION OF INTERESTS

Members shall fulfil conscientiously the requirement in respect of the registration of interests in the Register of Members' Interests and where it is appropriate to do so, shall always draw attention to any relevant interest in any proceedings of the Council, the Executive (or any committee or sub committee), or in any communication with the Council, its members or officers.

APPENDIX 1

DISCLOSABLE PECUNIARY INTEREST (DPIs)

These declarations include the relevant members' interest including any interest of which the member is aware relating to his/her:

- spouse or
- civil partner or
- of any person with whom he/she is living as a husband or wife or civil partner.
- Disclosable pecuniary interest or prescribed by Regulations and fall within the following headings;

1. Employment, Office, Trade, Profession or Vocation

Please give details of any employment, office, trade, profession or vocation carried on for profit or gain.

2. Sponsorship

Please give details of any payment or provision of any financial benefit (other than from Exeter City Council) made or provided in respect of any expenses incurred by the member in carrying out duties as a member or towards the election expenses of the member.

This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

3. Contracts: for Goods, Works or Services with the Council

Please give details of any contracts for goods, works or services you (or firm or company by which you are employed or which you own or in which you have a beneficial interest) have with Exeter City Council

4. Landholdings in the Area

Please give the address or other description (sufficient to identify the location) of any land or property in Exeter City Council's area in which you have a beneficial interest, indicating whether you are the owner, lessee or tenant.

You must include the house you live in and for example an allotment you own or use.

5. Licences

Please give details of any licence (alone or jointly with others) to occupy land within Exeter City Council's area where such licence is for a period longer than one month.

6. Corporate tenancies

Please give details of any tenancy where land is leased or licensed from Exeter City Council by you or any body, firm or company by which you are employed or which you own or in which you have a beneficial interest.

7. Securities: Interests in Companies

Please give details of body which has a place of business or owns land in Exeter City Council's area and in which you have a beneficial interest (a shareholding) of more than:

- £25,000 (nominal value) or more than 1/100th of the total share issue of that body (whichever is the lower) or
- if there is more than one class of share, the total nominal value of shares in

any class of that body of more than 1/100th of the total shares of that class.

Note: It is not necessary to declare the nature or size of the holding, simply the name of the company or other body.

APPENDIX 2 - OTHER INTERESTS

A member must declare any other interest in any business of the Council where it relates to the well being or financial position of the member, his/her friend, relative or close associate where a member of the public, knowing the relevant facts, would reasonably think the existence of the interest in question is likely to affect the member's judgment of the public interest.

REGISTRATION OF INTERESTS

1. Within 28 days of this Code being adopted by the Council, or the member's election or the co-opted member's appointment (where that is later), he/she shall register all disclosable pecuniary interests which fall within the categories set out in Appendix 1.
2. Upon the re-election of a member or the re-appointment of a co-opted member, he/she shall within 28 days re-register any disclosable pecuniary interests described in Appendix 1.
3. A member shall register any change to his/her registerable pecuniary interests or new interests falling within the definition set out Appendix 1 within 28 days of becoming aware of it.
4. A member need only declare on the public Register of Interests the existence but not the details of any interest which the Monitoring Officer agrees is a 'sensitive interest'. A sensitive interest is one which, if disclosed on a public register, could lead the member or a person connected with the member to be subject to violence or intimidation.

DECLARATION OF INTERESTS

1. Where a matter arises at a meeting which relates to a Pecuniary Interest which is declarable in Appendix 1, the member shall not participate in a discussion or vote on the matter. The member shall withdraw from the room at the commencement of the consideration of that business. He/she only has to declare what his/her interest is if it is not already entered in the Member's Register of Interests or if he/she has not notified the Monitoring Officer of it.

2. Where a matter arises at a meeting which relates to a Pecuniary Interest in Appendix 1 which is a sensitive interest, the member shall not participate in a discussion or vote on the matter. The member shall withdraw from the room at the commencement of the consideration of that business. If it is a sensitive interest which has not already been disclosed to the Monitoring Officer, the member shall disclose he/she has an interest but not the nature of it.

3. Where a matter arises at a meeting which relates to "other Interests" declarable under Appendix 2, the member shall disclose the nature of the interest and withdraw from the meeting. He/she may speak on the matter before withdrawing only if members of the public are also allowed to speak at the meeting. If it is a 'sensitive interest' the member shall declare the interest but not the nature of the interest.

DISPENSATIONS

On a written request, the Council's Monitoring Officer may grant to a member a dispensation to participate in a discussion and vote on a matter at a meeting even if he/she has an interest in Appendices 1 and/or 2 where the Monitoring Officer believes that:

- the number of members otherwise prohibited from taking part in the meeting would impede the transaction of the business; or
- it is in the interests of the inhabitants in the Council's area to allow the member to take part or
- it is otherwise appropriate to grant a dispensation.

This page is intentionally left blank

Notification by Exeter City Council Member

of

Disclosable Pecuniary Interests (“DPI”)

LOCALISM ACT 2011, s.30

The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012

I, *(full name)*

of address

Member of Exeter City Council,

GIVE NOTICE that I have the following Disclosable Pecuniary Interest(s).

IMPORTANT: Pecuniary Interests are disclosable if they are your interests or that of a “relevant person” i.e. your spouse or civil partner, a person with whom you are living as husband and wife, or a person with whom you are living as if you were civil partners (all of whom are referred to as “relevant persons”) and you are aware that the other person has the interest.

Please read the definitions section at the end of this form. Give details as below, stating “none” where appropriate.

1. EMPLOYMENT, OFFICE, TRADE, PROFESSION OR VOCATION

Any employment, office, trade, profession or vocation carried on for profit or gain.

Yourself

Other relevant person

2. SPONSORSHIP

Any payment or provision of any other financial benefit (other than from the authority) made or provided within the 12 months prior to this notification in respect of any expenses incurred by you in carrying out your duties as a member, or towards your election expenses.

This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

Yourself

Other relevant person

3. CONTRACTS

Any contract which is made between you or another relevant person (or a body in which you or another relevant person has a beneficial interest) and the authority:

- (a) under which goods or services are to be provided or works are to be executed; and
- (b) which has not been fully discharged.

Yourself

Other relevant person

4. LAND

Any beneficial interest in land which is within the area of the authority.

Yourself

Other relevant person

5. LICENCES

Any licence (alone or jointly with others) to occupy land in the area of the authority for a month or longer.

Yourself

Other relevant person

6. CORPORATE TENANCIES

Any tenant where (to your knowledge) –

- (a) the landlord is the authority; and
- (b) the tenant is a body in which you or another relevant person has a beneficial interest.

Yourself

Other relevant person

7. SECURITIES

Any beneficial interest in securities of a body where –

- (a) the body (to your knowledge) has a place of business or land in the area of the authority; and
- (b) either –
 - (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
 - (ii) if the share capital of that body is more than one class, the total nominal value of the shares of any one class in which you or the other relevant person have a beneficial interest exceeds one hundredth of the total issued share capital of that class.

Yourself

Other relevant person

SENSITIVE INTERESTS

Indicate in your answers above any interests that you regard as being sensitive interests (defined in section 32(1)(b) of the Localism Act 2011 as an interest the disclosure of which would lead to you or a person connected with you being subject to violence or intimidation). The agreement of the Monitoring Officer is required for the details of sensitive interests to be omitted from published versions of the register of interests.

DEFINITIONS:

“Authority” means the authority of which you are a member.

“Body in which you or another relevant person has a beneficial interest” means a firm in which you or another relevant person (see below) are a partner or a body corporate of which you or they are a director, or in the securities of which you or they have a beneficial interest.

“Director” includes a member of the committee of management of an industrial and provident society.

“Land” excludes an easement, servitude, interest or right in or over land which does not carry with it a right for your or the other relevant person (alone or jointly with another) to occupy the land or to receive income.

“Member” includes a co-opted member.

“Relevant person” means:

- (i) you;
- (ii) your spouse or civil partner;
- (iii) a person with whom you are living as husband and wife; or
- (iv) a person with whom you are living as if you were civil partners.

References to an interest of “another relevant person” relate to an interest of which you are aware.

“Securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

This page is intentionally left blank

Disclosure by Exeter City Council Member of a Part 2 Interest in a matter under consideration at a Council Meeting

I (full name)

A member of Exeter City Council hereby disclose that I have a Part 2 Interest in the following matter which is the subject of consideration at the

[Committee], [Sub-Committee], [Executive], [Full Council] *(Delete as appropriate)* held on

(insert date)

The matter subject to consideration is:

I consider I have an interest because:

Such that it may relate to the [well being], [financial position] of [myself], a [friend], a [relative] or [close associate] such that it may affect my judgement of the Public Interest. *(Delete as appropriate)*

Signed:

Dated:

This page is intentionally left blank



Department for
Communities and
Local Government

Openness and transparency on personal interests

A guide for councillors

September 2013
Department for Communities and Local Government

© Crown copyright, 2013

Copyright in the typographical arrangement rests with the Crown.

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, www.nationalarchives.gov.uk/doc/open-government-licence/ or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

This document/publication is also available on our website at www.gov.uk/dclg

If you have any enquiries regarding this document/publication, email contactus@communities.gov.uk or write to us at:

Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 030 3444 0000

For all our latest news and updates follow us on Twitter: <https://twitter.com/CommunitiesUK>

September 2013

ISBN: 978-1-4098--3604-9

The Guide

This guide on personal interests gives basic practical information about how to be open and transparent about your personal interests. It is designed to help councillors, including parish councillors, now that new standards arrangements have been introduced by the Localism Act 2011¹.

Why are there new rules?

Parliament has abolished the Standards Board regime and all the rules under it. It has done this because that centrally-imposed, bureaucratic regime had become a vehicle for petty, malicious and politically-motivated complaints against councillors. Rather than creating a culture of trust and openness between councillors and those they represent, it was damaging, without justification, the public's confidence in local democratic governance.

The new standards arrangements that Parliament has put in place mean that it is largely for councils themselves to decide their own local rules. It is essential that there is confidence that councillors everywhere are putting the public interest first and are not benefiting their own financial affairs from being a councillor. Accordingly, within the new standards arrangements there are national rules about councillors' interests.²

Such rules, in one form or another, have existed for decades. The new rules are similar to the rules that were in place prior to the Standards Board regime. Those rules, originating in the Local Government Act 1972 and the Local Government and Housing Act 1989, involved local authority members registering their pecuniary interests in a publicly available register, and disclosing their interests and withdrawing from meetings in certain circumstances. Failure to comply with those rules was in certain circumstances a criminal offence, as is failure to comply in certain circumstances with the new rules.

Does this affect me?

Yes, if you are an elected, co-opted, or appointed member of:

- a district, unitary, metropolitan, county or London borough council
- a parish or town council
- a fire and rescue authority
- a transport or other joint authority
- a combined authority or an economic prosperity board
- the London Fire and Emergency Planning Authority
- the Broads Authority

¹ The Guide should not be taken as providing any definitive interpretation of the statutory requirements; those wishing to address such issues should seek their own legal advice.

² The national rules are in Chapter 7 of the Localism Act 2011 and in the secondary legislation made under the Act, particularly in The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (S.I. 2012/1464).

- a National Park authority
- the Greater London Authority
- the Common Council of the City of London
- the Council of the Isles of Scilly

How will there be openness and transparency about my personal interests?

The national rules require your council or authority to adopt a code of conduct for its members and to have a register of members' interests.

The national rules require your council's code of conduct to comply with the Seven Principles of Public Life, and to set out how, in conformity with the rules, you will have to disclose and register your pecuniary and your other interests. Within these rules it is for your council to decide what its code of conduct says. An illustrative text for such a code is available on the Department's web site.³

Your council's or authority's monitoring officer (or in the case of a parish council the monitoring officer of the district or borough council) must establish and maintain your council's register of members' interests. Within the requirements of the national rules it is for your council or authority to determine what is to be entered in its register of members' interests.

What personal interests should be entered in my council's or authority's register of members' interests?

Disclosable pecuniary interests, and any other of your personal interests which your council or authority, in particular through its code of conduct, has determined should be registered.

Any other of your personal interests which you have asked the monitoring officer, who is responsible for your council's or authority's register of members' interests, to enter in the register.

As explained in the following section, your registration of personal interests should be guided by your duty to act in conformity with the seven principles of public life. You should ensure that you register all personal interests that conformity with the seven principles requires. These interests will necessarily include your membership of any Trade Union.

What must I do about registering my personal interests?

Under your council's code of conduct you must act in conformity with the Seven Principles of Public Life. One of these is the principle of integrity – that 'Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in

³ <https://www.gov.uk/government/publications/illustrative-text-for-local-code-of-conduct--2>

order to gain financial or other material benefits for themselves, their family, or their friends. **They must declare and resolve any interests and relationships.**⁴.

Your registration of personal interests should be guided by this duty and you should give the monitoring officer who is responsible for your council's or authority's register of members' interests any information he or she requests in order to keep that register up to date and any other information which you consider should be entered in the register.

All sitting councillors need to register their declarable interests – both declarable pecuniary interests, and other interests that must be declared and registered as required by your authority's code, or your duty to act in conformity with the Seven Principles of Public Life, such as your membership of any Trade Union. Any suggestion that you should tell the monitoring officer about your pecuniary interests only in the immediate aftermath of your being elected is wholly incompatible with this duty, with which you must comply.

If you have a disclosable pecuniary interest which is not recorded in the register and which relates to any business that is or will be considered at a meeting where you are present, you must disclose⁵ this to the meeting and tell the monitoring officer about it, if you have not already done so, so that it can be added to the register. You must tell the monitoring officer within 28 days of disclosing the interest. For this purpose a meeting includes any meeting of your council or authority, of its executive or any committee of the executive, and of any committee, sub-committee, joint committee or joint sub-committee of your authority.

If you have a disclosable pecuniary interest which is not shown in the register and relates to any business on which you are acting alone, you must, within 28 days of becoming aware of this, tell the monitoring officer about it, if you have not already done so, so that it can be added to the register. You must also stop dealing with the matter as soon as you become aware of having a disclosable pecuniary interest relating to the business.

When you are first elected, co-opted, or appointed a member to your council or authority, you must, within 28 days of becoming a member, tell the monitoring officer who is responsible for your council's or authority's register of members' interests about your disclosable pecuniary interests. If you are re-elected, re-co-opted, or reappointed a member, you need to tell the monitoring officer about only those disclosable pecuniary interests that are not already recorded in the register.

What are pecuniary interests?

A person's pecuniary interests are their business interests (for example their employment, trade, profession, contracts, or any company with which they are associated) and wider

⁴ <http://www.public-standards.gov.uk/about-us/what-we-do/the-seven-principles/>

⁵ If the interest is a sensitive interest you should disclose merely the fact that you have such a disclosable pecuniary interest, rather than the interest. A sensitive interest is one which the member and the monitoring officer, who is responsible for the register of members' interests, consider that disclosure of its details could lead to the member, or a person connected to the member, being subject to violence or intimidation.

financial interests they might have (for example trust funds, investments, and assets including land and property).

Do I have any disclosable pecuniary interests?

You have a disclosable pecuniary interest if you, or your spouse or civil partner, have a pecuniary interest listed in the national rules (see annex). Interests of your spouse or civil partner, following the approach of the rules under the 1972 and 1989 Acts, are included to ensure that the public can have confidence that councillors are putting the public interest first and not benefiting the financial affairs of themselves or their spouse or civil partner from which the councillor would stand to gain. For this purpose your spouse or civil partner includes any person with whom you are living as husband or wife, or as if they were your civil partner.

Does my spouse's or civil partner's name need to appear on the register of interests?

No. For the purposes of the register, an interest of your spouse or civil partner, which is listed in the national rules, is **your** disclosable pecuniary interest. Whilst the detailed format of the register of members' interests is for your council to decide, there is no requirement to differentiate your disclosable pecuniary interests between those which relate to you personally and those that relate to your spouse or civil partner.

Does my signature need to be published online? Won't this put me at risk of identity theft?

There is no legal requirement for the personal signatures of councillors to be published online.

Who can see the register of members' interests?

Except for parish councils, a council's or authority's register of members' interests must be available for inspection in the local area, and must be published on the council's or authority's website.

For parish councils, the monitoring officer who is responsible for the council's register of members' interests must arrange for the parish council's register of members' interests to be available for inspection in the district of borough, and must be published on the district or borough council's website.

Where the parish council has its own website, its register of members' interests must also be published on that website.

This is in line with the Government's policies of transparency and accountability, ensuring that the public have ready access to publicly available information.

Any payment of, or liability to pay, council tax does not create a disclosable pecuniary interest as defined in the national rules; hence being a council tax payer does not mean that you need a dispensation to take part in the business of setting the council tax or precept or local arrangements for council tax support.

If you are a homeowner or tenant in the area of your council you will have registered, in accordance with the national rules, that beneficial interest in land. However, this disclosable pecuniary interest is not a disclosable pecuniary interest in the matter of setting the council tax or precept since decisions on the council tax or precept do not materially affect your interest in the land. For example, it does not materially affect the value of your home, your prospects of selling that home, or how you might use or enjoy that land.

Accordingly, you will not need a dispensation to take part in the business of setting the council tax or precept or local arrangements for council tax support, which is in any event a decision affecting the generality of the public in the area of your council, rather than you as an individual.

When and how can I apply for a dispensation?

The rules allow your council or authority in certain circumstances to grant a dispensation to permit a member to take part in the business of the authority even if the member has a disclosable pecuniary interest relating to that business. These circumstances are where the council or authority considers that:

- without the dispensation so great a proportion of the council or authority would be prohibited from participating in that business as to impede the council's or authority's transaction of that business,
- without the dispensation the representation of different political groups dealing with that business would be so upset as to alter the likely outcome of any vote,
- the granting of the dispensation is in the interests of people living in the council's or authority's area,
- without the dispensation each member of the council's executive would be prohibited from participating in the business, or
- it is otherwise appropriate to grant a dispensation.

If you would like your council or authority to grant you a dispensation, you must make a written request to the officer responsible for handling such requests in the case of your council or authority.

What happens if I don't follow the rules on disclosable pecuniary interests?

It is a criminal offence if, without a reasonable excuse, you fail to tell the monitoring officer about your disclosable pecuniary interests, either for inclusion on the register if you are a newly elected, co-opted or appointed member, or to update the register if you are re-elected or re-appointed, or when you become aware of a disclosable pecuniary interest which is not recorded in the register but which relates to any matter;

Is there any scope for withholding information on the published register?

Copies of the register of members' interests which are available for inspection or published must not include details of a member's sensitive interest, other than stating that the member has an interest the details of which are withheld. A sensitive interest is one which the member and the monitoring officer, who is responsible for the register of members' interests, consider that disclosure of its details could lead to the member, or a person connected to the member, being subject to violence or intimidation.

When is information about my interests removed from my council's register of members' interests?

If you cease to have an interest, that interest can be removed from the register. If you cease to be a member of the authority, all of your interests can be removed from the register.

What does having a disclosable pecuniary interest stop me doing?

If you are present at a meeting of your council or authority, of its executive or any committee of the executive, or of any committee, sub-committee, joint committee, or joint sub-committee of your authority, and you have a disclosable pecuniary interest relating to any business that is or will be considered at the meeting, you must not:

- participate in any discussion of the business at the meeting, or if you become aware of your disclosable pecuniary interest during the meeting participate further in any discussion of the business, or
- participate in any vote or further vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

In certain circumstances you can request a dispensation from these prohibitions.

Where these prohibitions apply, do I also have to leave the room?

Where your council's or authority's standing orders require this, you must leave the room. Even where there are no such standing orders, you must leave the room if you consider your continued presence is incompatible with your council's code of conduct or the Seven Principles of Public Life.

Do I need a dispensation to take part in the business of setting council tax or a precept?

- that will be or is being considered at a meeting where you are present, or
- on which you are acting alone.

It is also a criminal offence to knowingly or recklessly provide false or misleading information, or to participate in the business of your authority where that business involves a disclosable pecuniary interest. It is also a criminal offence to continue working on a matter which can be discharged by a single member and in which you have a disclosable pecuniary interest.

If you are found guilty of such a criminal offence, you can be fined up to £5,000 and disqualified from holding office as a councillor for up to five years.

Where can I look at the national rules on pecuniary interests?

The national rules about pecuniary interests are set out in Chapter 7 of the Localism Act 2011, which is available on the internet here:

<http://www.legislation.gov.uk/ukpga/2011/20/part/1/chapter/7/enacted>

and in the secondary legislation made under the Act, in particular The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 which can be found here:

<http://www.legislation.gov.uk/uksi/2012/1464/contents/made>

Annex A

Description of Disclosable Pecuniary Interests

If you have any of the following pecuniary interests, they are your **disclosable pecuniary interests** under the new national rules. Any reference to spouse or civil partner includes any person with whom you are living as husband or wife, or as if they were your civil partner.

- Any employment, office, trade, profession or vocation carried on for profit or gain, which you, or your spouse or civil partner, undertakes.
- Any payment or provision of any other financial benefit (other than from your council or authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992. The relevant period is the 12 months ending on the day when you tell the monitoring officer about your disclosable pecuniary interests following your election or re-election, or when you became aware you had a disclosable pecuniary interest relating to a matter on which you were acting alone.
- Any contract which is made between you, or your spouse or your civil partner (or a body in which you, or your spouse or your civil partner, has a beneficial interest) and your council or authority –
 - under which goods or services are to be provided or works are to be executed; and
 - which has not been fully discharged.
- Any beneficial interest in land which you, or your spouse or your civil partner, have and which is within the area of your council or authority.
- Any licence (alone or jointly with others) which you, or your spouse or your civil partner, holds to occupy land in the area of your council or authority for a month or longer.
- Any tenancy where (to your knowledge) –
 - the landlord is your council or authority; and
 - the tenant is a body in which you, or your spouse or your civil partner, has a beneficial interest.

- Any beneficial interest which you, or your spouse or your civil partner has in securities of a body where –
 - (a) that body (to your knowledge) has a place of business or land in the area of your council or authority; and
 - (b) either –
 - the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
 - if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, or your spouse or your civil partner, has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

EXETER CITY COUNCIL

AUDIT AND GOVERNANCE COMMITTEE 27 NOVEMBER 2013

CORPORATE RISK REGISTER

1. PURPOSE OF THE REPORT

- 1.1 To advise the Committee of the Council's risk management progress and present the updated Corporate Risk Register.

2. BACKGROUND

- 2.1 The Risk Management Policy makes this Committee responsible for:
- approving the Corporate Risk Register
 - monitoring the effectiveness of risk management throughout the Council
- 2.2 The Corporate Risk Register provides details of those risks which could have a major impact on the city or the Council and need to be monitored and managed at a senior management/political level. Risks which could have an impact on a service, but which would not necessarily impact on a council-wide or city basis, are contained in the operational risk register and managed by Assistant Directors and Managers.

3. CORPORATE RISK REGISTER

- 3.1 Assistant Directors, Corporate Managers and the Deputy Chief Executive have reviewed the Council's risks. Due to the short timescale since the last review of the risk register, most of the risks have stayed the same. Any changes are detailed below:

New risks

One new risk has been added to the Corporate Risk Register (13/028) relating to property management. It has become apparent that there is a skills shortage across the Council in terms of effective property management (electrical maintenance, asbestos monitoring, legionella monitoring etc) and that this issue needs to be addressed at a corporate level.

Changes to risk scores

One risk has increased in score since the last reporting period. This related to the overspend of the voids repair budget – the likelihood score has increased to 4 (very likely). Options are being considered to ensure that this risk is mitigated in the future and an update report will be provided at the next Audit and Governance Committee.

- 3.2 Post mitigated scores have been included where appropriate.

4. RISK MANAGEMENT PROGRESS

- 4.1 Since the last reporting period, work has been undertaken to prepare an Operational Risk Register. Some services have already produced Operational Risk Registers so these have been consolidated into one register. Additional operational risks have been identified through the performance reports which are reported to SMT and through having individual meetings with Assistant Directors and Managers.
- 4.2 During the next reporting period and thereafter, Internal Audit will undertake an audit of operational risks as selected by this Committee. The findings of the audit will be reported to the subsequent Audit and Governance Committee.

6. RECOMMENDATIONS

That the Audit and Governance Committee review the updated Corporate Risk Register.

CORPORATE MANAGER POLICY, COMMUNICATIONS AND COMMUNITY ENGAGEMENT

Local Government (Access to Information) Act 1972 (as amended)
Background papers used in compiling this report:-

None

Document is Restricted

This page is intentionally left blank