

**EXETER CITY COUNCIL
AUDIT AND GOVERNANCE COMMITTEE**

Internal Audit Summary of Work Completed June to September 2014/15

| Audit Area | Summary |
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| <p>Counter Fraud/Anti Fraud</p> | <p>Exeter City Council has identified fraud and corruption as a risk in its Corporate risk register and therefore has undertaken a proper assessment of its fraud and corruption risks. In addition, the Public Sector Internal Audit Standards (Ref: 2120 Risk Management) requires Internal Audit activity to evaluate both the potential for fraud and how the organisation itself manages fraud.</p> <p>The scope of this review included conducting a self assessment of the Council's counter fraud capability against two Government body checklists. The first from the National Fraud Authority's 'Fighting Fraud Locally' document and the second from the Audit Commission's 'Protecting the Public Purse' document.</p> <p>The assessment included an exercise to identify:</p> <ul style="list-style-type: none"> • the Council's fraud and corruption risks • the Council's counter fraud capability • weaknesses in counter fraud capability that need to be addressed <p>and then produce an action plan.</p> <p>All actions identified in the action plan have now either been implemented or are being implemented.</p> |
| <p>Safeguarding</p> <p>Assurance rating: Some improvement required ★★★</p> | <p>Safeguarding and promoting the welfare of children (or vulnerable adults) is defined by statutory guidance as:</p> <ul style="list-style-type: none"> • protecting children from maltreatment • preventing impairment of children's health or development • ensuring that children are growing up in circumstances consistent with the provision of safe and effective care; and undertaking that role so as to enable those children to have optimum life chances and to enter adulthood successfully <p>Exeter City Council has obligations under the Children's Act 2004 to safeguard and promote the welfare of children, therefore the audit sought to review the key controls and procedures undertaken by the Council for the safeguarding of children and vulnerable adults by checking compliance with s.11 of the Children's Act 2004 and other legislation.</p> <p>A total of 8 medium and 2 low risk recommendations were made and all but 1 were accepted by management. The recommendation that was not accepted related to:</p> <p>The completion of the e-learning safeguarding training should be made mandatory to all staff (including those at the Museum).</p> |

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| | <p>Where e-learning is not practical (e.g. Cleansing and Waste Collection employees), tool box talks or basic classroom based training should be provided instead.</p> <p>Management did not agree with this recommendation and advised that: <i>“They did not understand the basis for making the e-learning mandatory for all employees. There are many employees who will never encounter situations during their employed role which could give rise to the need or desire for recognition of safeguarding issues. Roles should be prioritised with High requiring classroom based learning, Medium requiring e-learning or tool-box / basic classroom based training. Low having the option of e-learning”.</i></p> |
| <p>Taxi Licensing</p> <p>Assurance rating: Some improvement required ★★★</p> | <p>The Licensing Section is responsible for the issuing and enforcement of a wide range of different licences including:</p> <ul style="list-style-type: none"> • Alcohol and entertainment licences • Taxis and private hire vehicles • Street trading • Gambling • Animal – Riding Establishments, Pet Shops, Breeding and Boarding <p>All taxis and their drivers must be licensed. The government is responsible for setting out the overall legislative framework within which licensing authorities carry out their licensing responsibilities and under which drivers and operators actually work. There are two main acts, which cover hackney carriage and private hire:</p> <ul style="list-style-type: none"> • Town Police Clauses Act 1847 • and the above act as amended by the Local Government (Miscellaneous Provisions) Act 1976 <p>The licensing conditions that are applied to taxi and PHV drivers and the local conditions of vehicle fitness are for each council to decide.</p> <p>The audit sought to check compliance with the legislation and the Department for Transport’s best practice guidance for local licensing authorities.</p> <p>A total of 1 high, 4 medium and 5 low risk recommendations were made all of which were accepted by management.</p> |
| <p>Museums (RAMM)</p> <p>Assurance rating: Some improvement required ★★★</p> | <p>RAMM is a museum and art gallery which holds significant and diverse collections in:</p> <ul style="list-style-type: none"> • Antiquities • Natural history (Geology/Biology/Botany) • World cultures (or Ethnology) • Fine and decorative art (including costumes) <p>Altogether the museum holds over one million objects, of which a small percentage is on permanent public display and the rest is held in storage facility called ‘The Ark’.</p> <p>It is a 'Major Partner Museum' (MPM) under the Arts Council England administered programme of strategic investment. This means that for 2012-15 the museum sector receives approximately £20 million funding from the Major Grants programme and £1.19 million funding from the Museum Development Fund to develop its services. RAMM as one of the sixteen Major Partner Museums nationally receiving funding in partnership with Plymouth City Museum & Art Gallery (PCMAG). The RAMM/PCMAG</p> |

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| | <p>received just under £3.4m (2012-15), approximately split between the organisations 50:50.</p> <p>The audit sought to review the effectiveness of the internal controls in place and the procedures in operation within the Museums Service. In addition, checks were undertaken to ensure that financial regulations were being complied with.</p> <p>A total of 5 medium and 10 low risk recommendations were made and all but 1 of the recommendations were accepted by management.</p> <p>The recommendation not accepted by management related to valuations in the accessions register. Internal Audit recommended that:</p> <ul style="list-style-type: none"> a) Wherever possible, objects on the Accessions register should be assigned a value. b) On an annual basis, the total sum assured for museum objects should be reviewed to check that there is adequate cover. Reports from the Accessions Register on the total value of objects should be referred to when carrying out this review. <p>RAMM Management did not agree with this recommendation, however, this matter was reported to the Senior Management Team (SMT), through the normal reporting procedure and SMT have requested that this recommendation is actioned.</p> |
| <p>New Homes Bonus</p> <p>Assurance rating: Excellent ★★★★★</p> | <p>The New Homes Bonus (NHB) was introduced in April 2011 and is intended to be a permanent incentive paid in respect of new build, conversions and long-term empty properties brought back into effective use. It is a grant paid to all English authorities in recognition of net additions to effective housing stock in their area. Payments for each eligible property are calculated per home based on the national average Council Tax Band for that home. As the NHB is an enduring incentive, for each net addition the NHB is paid each year for six years. A flat rate of £350 per year is also paid for each affordable home delivered. Data is collected annually in October from the Council Tax Base, which measures changes from year to year, with the Bonus being paid in the following financial year.</p> <p>The grant is not ring-fenced which means that local authorities are free to decide how to spend it. The Government have agreed a set of Principles for the use of the grant that support strategic planning and long term infrastructure. Bonus funds can be spent on either revenue or capital, strategic projects, or placed in a local authority's reserves. Local authorities are expected to consult communities about how they will spend the money, especially in areas where housing stock has increased. There is no time limit on when the funds have to be spent.</p> <p>The audit sought to check compliance with Government NHB policy and that there were adequate internal controls in place.</p> <p>This system was found to be operating very well and no audit recommendations were necessary.</p> |
| <p>CCTV</p> <p>Assurance rating: Good ★★★★</p> | <p>The City Centre is monitored by CCTV cameras operated in partnership between the City Council, Devon County Council and the Devon & Cornwall Police, together with the support of the Community Safety Partnership. The system is registered with the Information Commissioner's Office and regulated under the Data Protection Act 1998 and the Regulation of Investigatory Powers Act 2000.</p> <p>The objectives of the scheme are:</p> |

- To help deter and detect crime and provide evidence material for court proceedings
- To help reduce the fear of crime
- To assist in the overall management of Exeter City Centre
- To enhance community safety, assist in developing the economic well being of the Exeter area and encourage greater use of the city centre
- To assist the Local Authorities in their enforcement and regulatory functions within the Exeter area
- To assist in traffic management and encourage safer and more sustainable use of all modes of transport and provide travel information to the media and public
- To assist in supporting civil proceedings
- To monitor all modes of travel to enable improvement and better management of the public highway

The Council's control centre is staffed 24/7 by operators trained and licensed by the Security Industry Authority for public space surveillance

The audit sought to check compliance with the Information Commissioner's Office (ICO) CCTV Code of Practice (revised edition 2008) and the Home Office Surveillance Camera Code of Practice (June 2013).

A total of 4 medium and 2 low risk recommendations were made and all were accepted by management.