

AUDIT AND GOVERNANCE COMMITTEE

Date: Wednesday 22 July 2020
Time: 5.30 pm
Venue: Legislation has been passed that allows Council's to conduct Committee meetings remotely.

During the Corona Virus outbreak, meetings will be held by virtual means. The [live stream can be viewed here](#) at the meeting start time.

If you have an enquiry regarding any items on this agenda, please contact Sharon Sissons, Democratic Services Officer on 01392 265115.

Membership -

Councillors Wardle (Chair), Atkinson (Deputy Chair), Foggin, Hannaford, Henson, D, Mrs Henson, Lamb, Mitchell, M, Pattison, Sheldon and Warwick

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 approve and sign the minutes of the meeting held on 11 March 2020.

(Pages 3 -
8)

3 **Declaration of Interests**

Councillors are reminded of the need to declare any discloseable 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 on 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 - Exclusion of Press and Public**

It is considered that the Committee would be unlikely to exclude the press and public during the consideration of the items on the agenda, but if it should wish to so, then the following resolution should be passed:-

RESOLVED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the particular items of

business on the grounds that they involve the likely disclosure of exempt information as defined in the relevant paragraph(s) of Part 1 of Schedule 12A of the Act.

- | | | |
|----------|---|--------------------|
| 5 | External Audit Progress Report
To consider the report of the Council's External Auditor | (Pages 9 -
18) |
| 6 | Annual Governance Statement 2019/20
To consider the report of the Chief Finance Officer. | (Pages 19
- 32) |
| 7 | Annual Internal Audit Progress Report 2019/20
To consider the report of the Audit Managers. | (Pages 33
- 58) |
| 8 | Model Member Code of Conduct
To consider the report of the City Solicitor. | (Pages 59
- 76) |
| 9 | Review of Corporate Governance Risk Register
To consider the report of the Chief Executive & Growth Director. | (Pages 77
- 84) |

Date of Next Meeting

The next **Audit and Governance Committee** will be held on Wednesday 16 September 2020 at 5.30 pm (Virtually)

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AUDIT AND GOVERNANCE COMMITTEE

Wednesday 11 March 2020

Present:-

Councillor Wardle (Chair)

Councillors Atkinson, Foggin, Hannaford, Henson, D, Mrs Henson, Mitchell, M, Pattison, Sheldon and Warwick

Also Present

Chief Finance Officer, Audit Manager (HP) and Democratic Services Officer

7

MINUTES

The minutes of the meeting held on 28 January 2020 were taken as read, approved and signed by the Chair as correct.

8

DECLARATION OF INTERESTS

No declarations of disclosable pecuniary interests were made.

9

EXTERNAL AUDIT PLAN 2019/20

Steve Johnson, Audit Manager of Grant Thornton (GT), presented the External Audit Plan for the year ending 31 March 2020, which detailed an overview of the planned scope of the statutory audit and the significant risks that had been identified such as the valuation of land and buildings; valuation of pension fund liability and management override of controls. He also referred to this year's extended audit, which he anticipated would be concluded in the summer and the indicative fees for the financial statements audit of £54,523 on the assumption that the figure could increase following additional audit work. This would be agreed by the Chief Finance Officer and the Audit and Governance Committee.

The Audit Manager (GT) commented on the following:-

- robust contribution made by the Council's finance team and governance of the Council's income which had been set at a medium risk;
- consideration of areas in the accounts which were subject to estimation, judgement and manipulation around journals;
- the Authority's fund net liability which was recognised as an area of great focus for the audit; and
- the potential impact of implementing IFRS16 in relation to the accounting of leases in the accounts.

In response to questions from Members, the Audit Manager (GT) and Chief Finance Officer explained:-

- that despite the assumption that the Pension Fund was robust, Grant Thornton were obliged to carry out an actuarial valuation as external auditors for the City Council, as liability changed from year to year, and rigorous checks on the valuation and liability were needed.
- an external audit by Frances Clark as well as the necessary controls and governance were in place for the Exeter City Living Group. The Group had

been set up as private company and Council had approved the Group's Business Plan. The accounts had been audited to FRS/02 standard and approved by the Group's Board of Directors and presented to their stakeholders. The accounts were available to Members if requested.

- the revalue of the Authority's land and buildings was part of a five yearly rolling programme, and represented a significant estimate by management due to the size of numbers and therefore risk but the value for money assurances were monitored.

The Audit and Governance Committee noted the External Audit Plan for the year ending 31 March 2020.

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ANNUAL AUDIT LETTER 2019/20

The Audit Manager (GT) presented the Annual External Audit Letter 2019/20. He discussed their work which included highlighting the financial statements, the value for money conclusion and certification of claims and returns. He provided a summary of the Annual Audit Letter which was a statutory requirement and outlined the audit work that had taken place between November and February. Grant Thornton proposed to issue a detailed audit plan for completion by July 2020. It was acknowledged that the timescale for completion of the work would be a challenge, but Grant Thornton would continue to communicate their progress with the Audit and Governance Committee.

Following the presentation and sign off of the accounts in January, the only outstanding work was the issue of the Certification Notice. Work on an objection in respect of the Pinhoe Community Hub, reported at the last meeting would be concluded by colleagues David Bray and Peter Barber as soon as possible. In response to a Member's question, Grant Thornton would have up to eight months to conclude the enquiry.

The Audit and Governance Committee noted the External Audit Letter 2019/20.

11

AUDIT PROGRESS REPORT AND SECTOR UPDATE

The Audit Manager (GT), presented the Audit progress report and sector update, which provided Members with details of the external auditor's work that had been undertaken as at February 2020. Planning work for the 2019/20 financial statements audit had commenced, and a detailed audit plan outlining the approach had been provided as a separate agenda item. The reporting of the value for money conclusion and the statutory deadline for the issue of the 2019/20 opinion was 31 July 2020. The 2019/20 audit deliverables and the planned committee dates for the work to be presented to the Members were provided. The findings of the interim audit work, conclusions and recommendations were explained, with no significant impact to the final statement. The regular programme report and the level of testing as set out in the report in respect of certification of claims and returns had a good outcome, and the Audit Manager (GT) anticipated being able to sign off the audit within the planned timescale.

Following a discussion, the Chief Finance Officer responded to a Member's comments on the Redmond Review and conclusions, and agreed a future agenda item for Members to discuss. The City Council had made a submission and it was anticipated that some information might be forthcoming by early summer. The Audit Manager (GT) referred to the Audit Letter accompanying the report and summarised the planned fee, which had been set as £44,573 by the Public Sector Audit Appointments Ltd (PSAA) but there were a number of areas where the scope of the

audit had changed, which had led to additional work and an additional sum of £6,950 was detailed in the report.

The Audit and Governance Committee noted the Progress Report and Sector Update, including the detail of the circulated Fee Letter and a report detailing any implications for the City Council from the Redmond Review would be made to a future meeting of this Committee.

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ANNUAL INTERNAL AUDIT PLAN 2020/21

The Audit Manager (HP) presented the annual Internal Audit Plan report for 2020/21, which required Member approval. She highlighted the proposed areas of work, which met the terms of reference of the Audit and Governance Committee and the Internal Audit Charter. The report also provided an assurance that appropriate risk analysis had been used whilst formulating the plan, with feedback received from the Strategic Management Board about their priorities and any specific concerns they might have, as well as feedback for the Chair and Deputy Chair of the Audit and Governance Committee. A copy of the detailed plan was attached as an appendix to the report.

The Audit Manager reported the detail of an external assessment, with the external assessor concluding that "Exeter City Council Internal Audit Team generally conformed to the Public Sector Internal Audit Standards, including the *Definition of Internal Auditing*, the *Code of Ethics* and the *Standards*." She advised that the wording "generally conforms" was the top rating possible and meant that the Internal Audit Service had a charter, policies and processes that were judged to be in conformance to the Standards.

The Audit Manager (HP) and the Chief Finance Officer responded to Members' questions -

- the high risk rating of the human resources aspect of the authority was not a reflection of performance.
- Audit worked well with an assessment of the system risk for individual services, consulting Directors to identify any areas of concern, and discuss solutions as part of a holistic approach.
- in terms of people management across the Council, staff turnover, morale and impact on the work was an annual audit consideration.
- the suggestion that climate change should be included in the plan had already been highlighted as an area of future work, and the inclusion of this would be discussed with the Council's Senior Management Board.

RESOLVED that the Audit and Governance Committee approve the annual Internal Audit Plan for 2020/21.

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INTERNAL AUDIT PROGRESS REPORT- 3RD QUARTER- 1 OCTOBER TO 31 DECEMBER 2019

The Audit Manager (HP) presented the report on the internal audit work carried out during the period 1st October to 31st December 2019, and advised on the overall progress against the Audit Plan. There had been a small impact to deliver the full plan and a number of changes were made and outlined in the report. This included a reduction in the number of audit productive days as staff had attended workshops to support the implementation of the Agile and Flexible Working project. There had been no significant governance issues identified for 2018/19, but measures to improve governance arrangements had been proposed and the implementation of the measures would be monitored. A summary of progress against the Annual Audit

Plan 2019/20 was included at Appendix A, and an action plan of the governance issues identified had been included at Appendix B,

In response to a Member's question, the Audit Manager (HP) and Chief Finance Officer commented on the delays in the delivery of the contract management training plan which would be followed up with the Corporate Procurement Lead.

The Audit and Governance Committee noted the Internal Audit Report for the third quarter of the year 2019/20.

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CODE OF CORPORATE GOVERNANCE 2020/21

The Chief Finance Officer presented the report which set out an overview of the proposed Code of Corporate Governance 2020/21, which provided the updated principles of Delivering Good Governance in Local Government (CIPFA/Solace 2016). The Code was reviewed annually by the Section 151 Officer and supported by the Executive Support Unit and he was pleased to report there were no significant changes to the Code this year. He responded to Members' comments on the setting up of the Council's procurement team, which had been a notable success. They worked within a very rigorous framework and had been particularly challenged with over 88 different Council projects over a variety of Council areas. He would ensure that the approved version of the Code was included on the Council's web site.

RECOMMENDED that the Audit and Governance Committee support and Council approve the Code of Corporate Governance for 2020/21.

15

REVIEW AND UPDATE OF WHISTLEBLOWING POLICY

The Audit Manager (HP) presented a report which proposed a revision of the Council's Whistleblowing Policy which needed to be reviewed to ensure that it remained up to date and fit for purpose. The updated Whistleblowing Policy was attached as an appendix dated 2020/21.

The Audit Manager and Chief Finance Officer responded to comments:-

- the policy demonstrated that employees were able to seek support from the policy, and there was an appreciation of the sensitivity around any cases and, although the public concern at work guidance had previously been sent to managers she would circulate again.
- the Whistleblowing Policy had been used, and the Council believed in the policy as a protection of staff, with any concerns noted at an early stage.
- the role of the Audit and Governance Committee was to review the policy rather than that of monitoring.
- the template for the policy was a framework offered by Public Concern at Work, which was part of a charitable body which offered free, confidential advice.

Members discussed the protection offered by the policy and inclusion of Elected Members who, in the policy, were seen as an employee. The Audit Manager suggested that the designation of Members was seen as being in the spirit of the policy. She also sought to reassure Members that any particular concerns would be discussed with the Council's Strategic Management Board.

RECOMMENDED that Council be requested to approve the revised Whistle Blowing Policy dated 2020/21, which was attached to the circulated report, and the Constitution amended accordingly.

CORPORATE RISK REGISTER

The Chief Finance Officer presented the Council's risk management process and the updated Corporate Risk Register, which identified 12 corporate risks which were regularly reviewed. The Audit and Governance Committee was responsible for monitoring and reviewing the Council's risks. The Risk Register included the status of new and current risks during the last quarter, which included an identified risk in relation to leadership capacity. Exeter City Council was an ambitious Council which carried out a wide range of services and offered over and above that of other similar Councils. Climate change had also been emerging as a significant challenge for all.

One new inclusion was that of the emerging Coronavirus 19 pandemic and urgent work was being undertaken, including meetings on a daily basis by the Council's Strategic Management Board and Service Leads. They have been discussing the best guidance from Public Health England and effect on services and staff which would be varied by the wide range of Council services. Officers had been updating the Council's Business Continuity Plan to ensure best delivery of services against what may occur in the next few weeks and months. Every effort would be made to keep services running as normal.

In response to questions from Members, the Chief Finance Officer responded that:-

- there was an acknowledgement that in the local economy there were significant risks and he referred to the example of the recent economic disruption with the closure of FlyBe and the impact on the 2,000 former employees;
- as outlined in the Budget, a policy decision was awaited in terms of the Government's reimbursement of business rates and reimbursed Section 31 payments.

The Audit and Governance Committee reviewed and noted the updated Corporate Risk Register and the Risk Management Policy.

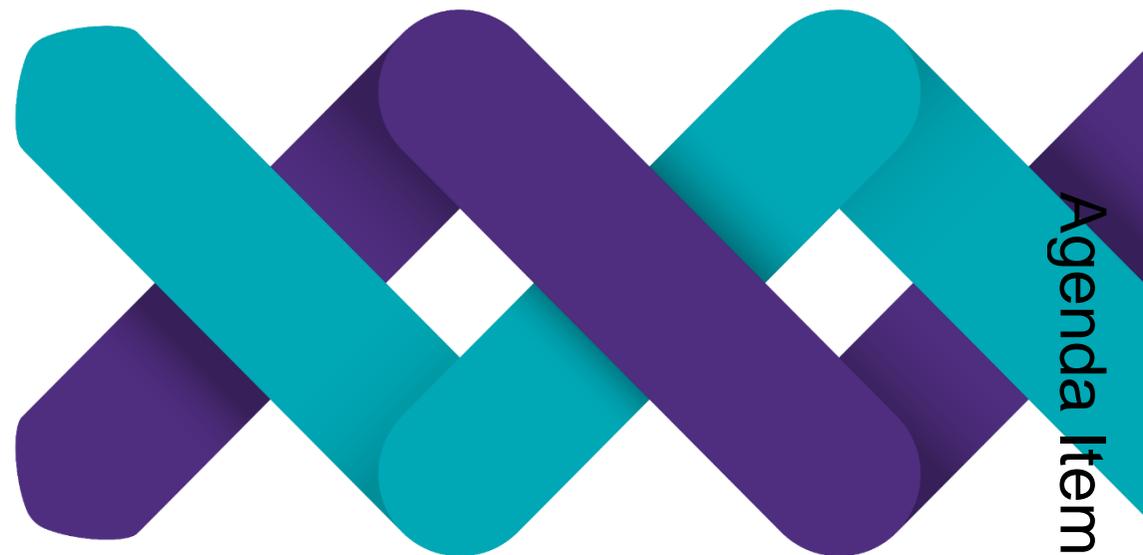
(The meeting commenced at 5.30 pm and closed at 6.50 pm)

Chair

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Audit Progress Report

Page 9
Exeter City Council
Year ending 31 March 2020
July 2020



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Introduction



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This paper provides the Audit and Governance Committee with a report on progress in delivering our responsibilities as your external auditors.

Members of the Audit and Governance Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications www.grantthornton.co.uk.

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress at July 2020

Financial Statements Audit

We began our planning for the 2019/20 audit in March 2020 and undertook an interim audit in March and April 2020. Our interim fieldwork includes:

- updated review of the Council's control environment;
- updated review the Council's information technology controls;
- reviewed the Council's Internal Audit arrangements;
- updated understanding of financial systems;
- updates to our understanding of journal entry controls;
- early work on emerging accounting issues; and
- early substantive testing.

We issued a detailed audit plan in March 2020, setting out our proposed approach to the audit of the Council's 2019/20 financial statements, and this was presented to the Committee on 11 March 2020. We issued an addendum to that plan on 27 April 2020 to include a significant financial statement risk regarding the Covid-19 pandemic.

Changes to national audit timetable

The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, which amend the Accounts and Audit Regulations 2015, came into force on 30 April 2020. These new regulations confirmed:

- the publication date for final, audited, accounts would move to 30 November 2020 for all local authority bodies;
- local authorities must commence the public inspection period on, or before, the first working day of September 2020; and
- draft accounts must be approved by 31 August 2020, or earlier where possible.

We continue to liaise with the Section 151 Officer and key finance officers in respect of the impact of Covid-19 on the Council's operations and the production of its financial statements and we have begun to make arrangements for a fully remote final accounts audit.

Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office (NAO). The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The guidance confirmed the overall criterion as: "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

The three sub criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

Details of our initial risk assessment to determine our approach are included in our Audit Plan.

Changes to our VfM approach

We have updated our VfM risk assessment to document our understanding of your arrangements to ensure critical business continuity in the current environment. We have not identified any new VfM risks in relation to Covid-19.

We plan to report our work in the Audit Findings Report and aim to give our Value for Money Conclusion by 30 November 2020.

The NAO has consulted on a new Code of Audit Practice and the new version applicable for audits from 1 April 2020 which includes significant changes to the auditor's Value for Money work. The NAO are currently consulting on the Auditor Guidance Notes to support the new Code which will provide clarity on the requirements for Value for Money audit work from the 2020/21 financial year.

Progress at July 2020 (cont.)

Other areas

Certification of claims and returns

The review of your Housing Benefits subsidy return is no longer covered by Public Sector Audit Appointments Ltd and Councils appoint their own reporting accountants. The Council appointed Grant Thornton UK LLP for this work in 2019/20 and has notified the Department for Work and Pensions (DWP).

The national deadline for the completion of this work has been moved from 30 November 2020 to 31 January 2021 as a result of the Covid-19 pandemic.

Meetings

We meet with Finance Officers as part of our liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective.

Events

We provide a range of workshops, along with network events for members and publications to support the Council. Your officers attended our Financial Reporting Workshop in February 2020, which will help to ensure that members of your Finance Team are up to date with the latest financial reporting requirements for local authority accounts.

We have also arranged a series of virtual workshops to discuss Covid-19 financial reporting and the session for District Councils is being held 20 July 2020. This will be run by our technical team and will provide an opportunity for wider discussions with the Council's peers. This follows on from the recent Grant Thornton publication on the financial reporting impact of Covid-19. Your finance team have been invited to participate.

Audit Deliverables

2019/20 Deliverables	Planned Date	Status
<p>Fee Letter</p> <p>Confirming audit fee for 2019/20. We reported our proposed fee variation from the scale fee set by PSAA in our Audit Plan issued in March 2020. This variation has now been approved by PSAA.</p>	April 2019	Complete
<p>Audit Plan</p> <p>We are required to issue a detailed audit plan to the Audit and Governance Committee setting out our proposed approach in order to give our opinion on the Council's 2019/20 financial statements and our conclusion on the Council's Value for Money arrangements.</p>	March 2020	<p>Presented to 11 March 2020 Audit and Governance Committee.</p> <p>Audit Plan Addendum sent 27 April 2020.</p>
<p>Audit Findings Report</p> <p>The Audit Findings Report is planned to be reported to the November Audit and Governance Committee.</p>	November 2020	Not yet due
<p>Auditors Report</p> <p>This is the opinion on your financial statements, annual governance statement and Value for Money conclusion.</p>	November 2020	Not yet due
<p>Annual Audit Letter</p> <p>This letter communicates the key issues arising from our work.</p>	December 2020	Not yet due

Results of Interim Audit Work

The findings of our interim audit work, and the impact of our findings on the accounts audit approach, are summarised in the table below:

2019/20 Deliverables	Work performed	Conclusions and recommendations
Council's control environment	<p>We obtained an understanding of the overall control environment relevant to the preparation of the financial statements including:</p> <ul style="list-style-type: none"> • communication and enforcement of integrity and ethical values; • commitment to competence; • participation by those charged with governance; • management's philosophy and operating style; • organisational structure; • assignment of authority and responsibility; and • human resource policies and practices. 	<p>We have not yet received the Council's commentary on it's overall control environment, and are therefore not able to fully conclude. No issues have been identified to date.</p>
Review of Information Technology controls	<p>Our IT (information technology) colleagues performed a high level review of the general IT control environment for the 2018/19 audit, as part of the overall review of the internal controls system.</p> <p>We have reviewed and updated this assessment for 2019/20.</p>	<p>No significant deficiencies were identified in 2018/19 and the reported issues were all classified as having 'risk of inconsequential misstatement'.</p> <p>Our work has identified no material weaknesses which are likely to adversely impact on the Council's financial statements.</p>
Internal audit	<p>We have completed a high level review of internal audit's overall arrangements. Our work has not identified any issues which we wish to bring to your attention.</p>	<p>Our review of internal audit work has not identified any weaknesses which impact on our audit approach.</p>
The Council's financial systems	<p>We have:</p> <ul style="list-style-type: none"> • updated our understanding of the Council's business processes; • documented the understanding of the entity's information and communication component of internal control; and • started the walkthrough of the Council's systems in our significant risk areas. 	<p>Some process and controls only occur at the year end and therefore at our final audit visit we will complete this work for the year end processes.</p> <p>To date we have not identified any control weaknesses to bring to the Committee's attention.</p>

Results of Interim Audit Work (cont.)

The findings of our interim audit work, and the impact of our findings on the accounts audit approach, are summarised in the table below:

2019/20 Deliverables	Work performed	Conclusions and recommendations
Journal entry controls	We have reviewed the Council's journal entry policies and procedures as part of determining our journal entry testing strategy. To date we have not identified any material weaknesses which are likely to adversely impact on the Council's control environment or financial statements.	Our work on Journals will be concluded during our final audit visit.
Emerging accounting arrangements	Subsequent to the issue of our Audit Plan and as reported in our Audit Plan Addendum, the implementation of IFRS 16 (Leases) has been deferred until 2021/22 due to the Covid-19 pandemic.	The potential impact on implementation will still need to be disclosed in the 2019/20 accounts in accordance with accounting standards and we will review the Council's disclosure as part of our final audit visit.
Early substantive testing	As a result of the timing of our interim audit and the changing working conditions in response to the Covid-19 pandemic we were unable to complete any early substantive testing during our interim visit.	All substantive testing will be completed as part of our final audit visit.

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REPORT TO AUDIT & GOVERNANCE COMMITTEE

Date of Meeting: 22 JULY 2020

REPORT TO COUNCIL

Date of Meeting: 13 October 2020

Report of: CHIEF FINANCE OFFICER

Title: ANNUAL GOVERNANCE STATEMENT – 2019/20

Is this a Key Decision?

No

* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 The report sets out the Annual Governance Statement that will accompany the Council's Statement of Accounts for 2019/20.

2. Recommendations:

It is recommended that:

2.1 Audit and Governance Committee supports the Annual Governance Statement to be included within the Council's Annual Statement of Accounts for 2019/20; and

2.2 Council notes and approves the Annual Governance Statement to be included within the Council's Annual Statement of Accounts for 2019/20.

3. Reasons for the recommendation:

3.1 The Council is required to prepare and publish an Annual Governance Statement by Regulation 4 of the Accounts and Audit (England) Regulations 2011. It reports on the Council's performance against the Code of Corporate Governance. The Code of Corporate Governance was last approved by the Audit and Governance Committee on 11 March 2020.

4. What are the resource implications including non financial resources.

4.1 There are no resource implications contained within the report.

5. Section 151 Officer comments:

5.1 The production of the Annual Governance Statement is a statutory requirement, which reviews any significant issues raised in respect of Corporate Governance. Members should not the two new significant issues arising out of the Covid-19 pandemic response and the actions taken to address them.

6. What are the legal aspects?

6.1 The Annual Governance Statement complies with Regulation 4 of the Accounts and Audit (England) Regulations 2011.

7. Monitoring Officer's comments:

7.1 Corporate Governance is the term used to describe the system by which Local Authorities direct and control their functions and relate to their communities. Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. The Code of Corporate Governance sets out the Governance Framework and illustrates the key documents and processes it has in place to support the delivery of good governance across the Council.

The Code of Corporate Governance sets out the principles of good governance and what arrangements it has in place to ensure that the Council conducts its business in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

8. Report details:

8.1 Background

8.1.1 The Code of Corporate Governance, which the Annual Governance Statement reflects, has been updated to reflect the new principles set by CIPFA/SOLACE.

8.2 The Annual Governance Statement should include the following information:

- An acknowledgement of responsibility for ensuring there is a sound system of governance (incorporating the system of internal control);
- An indication of the level of assurance that the systems and processes that comprise the authority's governance arrangements can provide;
- A brief description of the key elements of the governance framework, including reference to group activities where those activities are significant;
- A brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements, including some comment on the role of:

- the authority;
- the executive;
- the audit committee/overview and scrutiny function/risk management committee/standards committee (as appropriate)
- internal audit
- other explicit review/assurance mechanisms

- An outline of the actions taken, or proposed, to deal with significant governance issues, including an agreed action plan.

8.2 The Annual Governance Statement is attached at Appendix A.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 This is a statutory requirement and does not contribute directly to the Council's Corporate Plan.

10. What risks are there and how can they be reduced?

10.1 There are no direct risks associated with this report

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because:

11.4.1 The report does not set policy.

12. Carbon Footprint (Environmental) Implications:

12.1 Not applicable

13. Are there any other options?

13.1 Not applicable.

Dave Hodgson, Chief Finance Officer

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

Contact for enquires:
Democratic Services (Committees)
01392 265275



Exeter City Council

Annual Governance Statement

2019-20

Scope of Responsibility

Exeter City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

The Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of Delivering Good Governance in Local Government (CIPFA/Solace 2016). This statement explains how Exeter City Council has complied with the code and also meets the requirements of the Accounts and Audit (England) Regulations 2015, paragraph 4(3), which required all relevant bodies to prepare an Annual Governance Statement.

The Code of Governance sets out the seven principles of good governance and the arrangements the Council has put in place to meet each of these principles:

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the law
2. Ensuring openness and comprehensive stakeholder engagement
3. Defining outcomes in terms of sustainable economic, social and environmental benefits
4. Determining interventions necessary to optimise the achievement of the intended outcomes
5. Developing the Council's capacity. Including the capability of its leadership and individuals within it
6. Managing risk and performance through robust internal control and strong public financial management
7. Implementing good practices in transparency, reporting and audit to deliver effective accountability

A copy of the Council's code is available on our website at [Code-of-corporate-governance-2019-20.pdf](#)

The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values, by which the authority is directed and controlled together with activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its purposes and to consider whether those purposes have led to the delivery of appropriate, cost-effective services.

The Council's system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness. There is an ongoing process designed to identify and prioritise risks to the achievement of Council policies, aims and objectives, to evaluate the likelihood and impact of those risks being realised and to manage them efficiently, effectively and economically.

The governance framework has been in place at Exeter City Council for the year ended 31 March 2020 and up to the date of the approval of the annual statement of accounts.

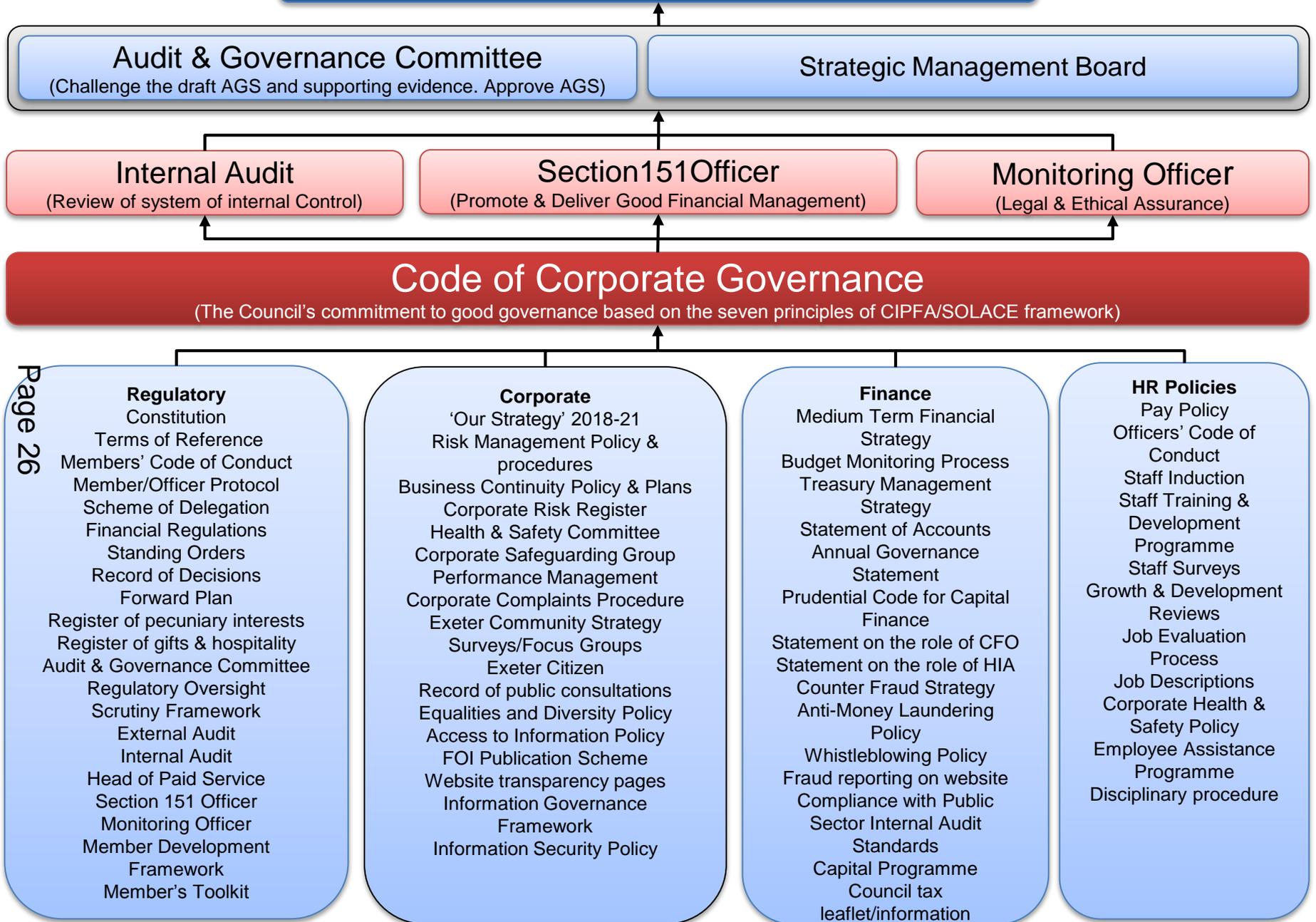
The Governance Framework

The Council's Governance Framework addresses the way the Council is controlled and managed, both strategically and operationally, and how it will deliver its services. The Framework recognises that the Council's business is focussed upon its corporate priorities and seeks to facilitate delivery to our local communities of the goals set out in the Council' Strategy 2018-21. The structures and processes, risk management and other internal control systems, such as standards of conduct, form part of this Framework, which is about managing the barriers to achieving the Council's objectives.

The local Code of Corporate Governance is reviewed annually through the Audit and Governance Committee and was last reviewed and recommended for approval by Council on 13 March 2020. Members and senior officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. This task is managed by the Strategic Management Board (SMB) which comprises the Chief Executive and Growth Director, Directors Chief Finance Officer (Section 151), City Solicitor (Monitoring Officer).

The Council has designed systems and processes to regulate, monitor and control its activities in order to achieve its vision and objectives. The Code of Corporate Governance sets out the controls in full.

Annual Governance Statement



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Audit & Governance Committee

(Challenge the draft AGS and supporting evidence. Approve AGS)

Strategic Management Board

Internal Audit

(Review of system of internal Control)

Section 151 Officer

(Promote & Deliver Good Financial Management)

Monitoring Officer

(Legal & Ethical Assurance)

Code of Corporate Governance

(The Council's commitment to good governance based on the seven principles of CIPFA/SOLACE framework)

Regulatory

Constitution
 Terms of Reference
 Members' Code of Conduct
 Member/Officer Protocol
 Scheme of Delegation
 Financial Regulations
 Standing Orders
 Record of Decisions
 Forward Plan
 Register of pecuniary interests
 Register of gifts & hospitality
 Audit & Governance Committee
 Regulatory Oversight
 Scrutiny Framework
 External Audit
 Internal Audit
 Head of Paid Service
 Section 151 Officer
 Monitoring Officer
 Member Development Framework
 Member's Toolkit

Corporate

'Our Strategy' 2018-21
 Risk Management Policy & procedures
 Business Continuity Policy & Plans
 Corporate Risk Register
 Health & Safety Committee
 Corporate Safeguarding Group
 Performance Management
 Corporate Complaints Procedure
 Exeter Community Strategy
 Surveys/Focus Groups
 Exeter Citizen
 Record of public consultations
 Equalities and Diversity Policy
 Access to Information Policy
 FOI Publication Scheme
 Website transparency pages
 Information Governance Framework
 Information Security Policy

Finance

Medium Term Financial Strategy
 Budget Monitoring Process
 Treasury Management Strategy
 Statement of Accounts
 Annual Governance Statement
 Prudential Code for Capital Finance
 Statement on the role of CFO
 Statement on the role of HIA
 Counter Fraud Strategy
 Anti-Money Laundering Policy
 Whistleblowing Policy
 Fraud reporting on website
 Compliance with Public Sector Internal Audit Standards
 Capital Programme
 Council tax leaflet/information

HR Policies

Pay Policy
 Officers' Code of Conduct
 Staff Induction
 Staff Training & Development Programme
 Staff Surveys
 Growth & Development Reviews
 Job Evaluation Process
 Job Descriptions
 Corporate Health & Safety Policy
 Employee Assistance Programme
 Disciplinary procedure

Review of effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by:

- ✓ The work of the Strategic Management Board who have responsibility for the development and maintenance of the governance environment
- ✓ The work of Executive who are responsible for considering overall financial and performance management and receive comprehensive reports throughout the year;
- ✓ The work of both Customer Focus and Strategic Scrutiny Committees who monitor the overall financial performance of the Council;
- ✓ The work of the Audit & Governance Committee who monitor the standards of conduct of Members, effectiveness of risk management, the work of Internal Audit and the system of internal control;
- ✓ The Section 151 Officer who is responsible for delivering and overseeing the financial management of the Council
- ✓ The Monitoring Officer who provides assurance that the Council has complied with its statutory and regulatory obligations;
- ✓ Annual reviews of the Council's key financial and non financial systems by Internal Audit against known and evolving risks which are reported on a quarterly basis to the Audit & Governance Committee;
- ✓ Annual reviews of the Council's financial accounts and records by the External Auditors leading to their opinion as published in the year-end statements;
- ✓ Ongoing reviews of strategic and operational risks in each service area and the conduct of risk analysis and management in respect of major projects undertaken by the Council;
- ✓ Reviews and, where appropriate, updates of the Council's Constitution including Financial Regulations and Standing Orders
- ✓ Comments made by other review agencies and inspectorates

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Risk Management

During the last twelve months the Council has been working with Zurich, the Council's insurance providers and Internal Audit, to review the Corporate Risk Register and to work with services to review their own operational Risk Registers. This has led to a streamlining of the Corporate Risk Register and a reduction in the number of risks recorded with many of the risks being moved to the Operational Risk Registers. The Risk Management Guidance has been updated accordingly. Zurich, supported by Internal Audit, have provided a number of briefing sessions to Managers to guide them through the risk management and business continuity process and to assist in the establishment or update of the Service's Risk Registers and Business Continuity Plans.

Financial Management Arrangements

The Council's financial management arrangements conform with the governance requirements of the CIPFA "Statement on the Role of the Chief Financial Officer in Local Government" (2010) as set out in the "Application Note to Delivering Good Governance in Local Government: Framework". The Section 151 Officer is a member of the Council's Strategic Management Board.

Internal Audit

The Internal Audit Service has been managed and delivered in accordance with the Public Sector Internal Audit Standards (PSIAS) which were introduced in April 2013. It is a requirement of the standards that an independent external review of Internal Audit's compliance with PSIAS is undertaken every five years. This external review was completed in January 2020 when the external assessor concluded that

"It is our overall opinion that the Exeter City Council Internal Audit Team generally conforms to the Public Sector Internal Audit Standards, including the Definition of Internal Auditing, the Code of Ethics and the Standards." Generally Conforms is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards.

Based on the assurance work undertaken by Internal Audit, the Audit Manager has provided an opinion on the adequacy of the control environment as part of the Annual Internal Audit Report which concluded that the key systems are operating soundly and that there are no fundamental breakdowns of controls resulting in material discrepancy.

External Audit

In January 2020, the Council's external auditor (Grant Thornton) issued the following conclusion:

'On the basis of our work, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, we are satisfied that the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019'.

Corporate Complaints

In 2019/20 the Council responded to 100 (2018/19 – 101) corporate customer complaints. All complaints were responded to by the relevant Director or Corporate Manager so that any issues identified could be actioned.

Performance Management

The Council 's Corporate Plan 'Our Strategy 2018-21' was approved by Executive on 9th October 2018. To support this strategy, the Council's Operational Management Board were tasked with devising and implementing a performance management framework to show how the Council is progressing towards achieving strategic objectives and to prioritise resources. This framework has been drafted for approval by the Strategic Management Board. A strategic dashboard has also been built to enable reporting and monitoring against these objectives. In addition, all services have been working on services plans to link service objectives to corporate objectives, to analyse performance, identifying improvements and implement remedial actions.

Key Issues 2019-20

This Statement is intended to provide reasonable assurance. It is stressed that no system of control can provide absolute assurance against material misstatement or loss. In concluding this overview of the Council's governance arrangements, two key issues have been carried over from 19-20 as still ongoing, along with four significant issues identified for 2019-20 shown in the table below. Progress will be subject to regular monitoring by the Audit and Governance Committee.

Issue No.	Issue Identified	Summary of Action to be Taken
Page 30 1 (18-19)	The Council continues to make changes to its organisational structures and ways of working as it transforms the way in which services are delivered within the financial constraints of the current economic climate. During 2019-20 the Council has also moved to an agile and flexible working environment. This has kept the overall risk to the internal control environment high with changes in staff responsibilities and the reduction of available resources.	This will continue to be monitored as part of the internal audit plan and any issues arising will be reported to Audit and Governance Committee quarterly.
2 (18-19)	The Council now has a fully functioning Procurement Team in place, which is effectively managing Council procurements. The next phase is to ensure that contract management is an integral part of the procurement cycle to ensure that it is undertaken effectively and consistently across the Council's contracts. In light of Covid19 and the need for ongoing social distancing for the foreseeable future, the planned rollout of contract management training across the organisation will be reviewed and options considered around virtual and online training.	A contract management training plan to be implemented along with contract management guidance to assist contract managers to properly manage contracts by addressing transition management, performance monitoring and by helping to ensure that both parties fulfil their commercial and contractual commitments. This contract management training was due to be rolled out during the summer of 2020. However, due to Covid19 restrictions, this training has been postponed and will be rescheduled

Key Issues 2019-20

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Issue No.	Issue Identified	Summary of Action to be Taken
3 (19-20)	Due to the Covid19 pandemic and the lockdown measures that were put in place in March 2020, the Council is facing increased cost and demand pressures at the same time as seeing a significant drop in income. Support from Central Government has mitigated some of the pressures, but the longer term impact could still be damaging to the Council's financial position.	<p>The Government have provided grants to cover expenditure pressures.</p> <p>The Government have committed to covering most of the losses from sales, fees and charges.</p> <p>The Council has taken an emergency budget to be considered on 21 July 2020, identifying ways to ensure a balanced budget.</p>
4 (19-20)	Due to the Covid19 pandemic and the lockdown measures that were put in place in March 2020, the Government has laid new regulations before Parliament to allow for virtual Council meetings to be held.	<p>The Council was the first to use the new regulations, holding a meeting of the Executive virtually, two days after the regulations came into force.</p> <p>Initial meetings were held via Skype for Business, but this has been replaced by Zoom. All meetings are streamed live via Facebook as they were previously to enable the public to view all Council business transparently. Members of the Public can also "attend" the meeting to ask questions using the normal notification procedure.</p>
5 (19-20)	The move to an agile and flexible working environment as part of the Organisational Development Plan will impact on the control environment in some instances, which will require a review and in some cases adaptation of existing controls.	Audit Plan will be updated to prioritise those services where the new working from home environment has resulted in a change to working practices and controls.
6 (19-20)	The Covid19 pandemic has created a significant increase in fraud risk. The Council has already experienced at least one instance of a fraudster attempting to change a suppliers bank details. Grant schemes always attract individuals hoping to exploit the system and with the Government Covid19 grants schemes this risk has also further increased.	<p>Internal audit are currently undertaking a risk assessment on behalf of the Council, as required by the government, to assess the level of risk the Council may be exposed to as a result of administering the Small Business, Hospitality and Leisure and the Discretionary Grants.</p> <p>Internal Audit will also be undertaking post award checking following guidance issued by the government.</p>

Approval of the Annual Governance Statement

Through the action referred to on the previous page, we propose over the coming year to focus on the key areas, with a view to further enhancing our governance arrangements and we will monitor their implementation and operation as part of our next annual review.

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Signed:

Councillor Tony Wardle

Chair of Audit & Governance Committee

Date:

Signed:

Dave Hodgson CPFA

Chief Finance Officer & Section 151 Officer

Date:

Signed:

Councillor Philip Bialyk

Leader of the Council

Date:

Signed:

Karime Hassan

Chief Executive & Growth Director

Date:

REPORT TO AUDIT & GOVERNANCE COMMITTEE

Date of Meeting: 22 JULY 2020

Report of: AUDIT MANAGERS

Title: ANNUAL REPORT OF INTERNAL AUDIT FOR THE YEAR ENDED 31 MARCH 2020

Is this a Key Decision?

No

* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

Is this an Executive or Council Function?

COUNCIL

1. What is the report about?

The annual Internal Audit Report conforming to the Public Sector Internal Audit Standards and timed to inform the Council's Annual Governance Statement, including the quarterly update on the progress of Internal Audit work.

2. Recommendations:

2.1 Members are recommended to note the contents of the Annual Internal Audit Report.

3. Reasons for the recommendation:

3.1 To comply with the Public Sector Internal Audit Standards and Corporate Governance best practice.

4. What are the resource implications including non financial resources.

None

5. Section 151 Officer comments:

5.1 The report sets out the view of the control framework under which the Council operates. It will be comforting for members to note the opinion in respect of the control framework and that only one audit resulted in a limited assurance opinion. The main high risk areas were covered in the year and the report underpins the work the Council does in respect of internal control.

6. What are the legal aspects?

None identified.

7. Monitoring Officer's comments:

Internal audit provide independent assurance that Exeter City Council's risk management, governance and internal control processes are operating effectively. Where they are not, their advice on how to improve our systems and procedures is invaluable to help us to succeed.

8. Report details:

8.1 The Public Sector Internal Audit Standards (PSAIS), which came into effect in April 2013, require that:

- The Audit Manager must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement
- The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control

- The annual report must incorporate:
 - the opinion;
 - a summary of the work that supports the opinion; and
 - a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement Programme

8.2 The Covid19 pandemic arose at the end of the period covered by this report and members will see that some work from the 2019/20 Audit Plan has been put on hold as a result of this. A full report of the impact of Covid19 on the service will be provided at the next meeting of this committee.

8.3 The Annual Audit report is attached as Appendix A.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 Good governance contributes to the Council's purpose of a "Well Run Council".

10. What risks are there and how can they be reduced?

N/A

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equality Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the

authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

- 11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.
- 11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because: because

11.4.1 The report is for information only

12. Are there any other options?

N/A

**Helen Putt/Helen Kelvey
Audit Managers**

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

Contact for enquires:
Democratic Services (Committees)
Room 2.3
01392 265275

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Annual Report 2019-20

Internal Audit Service

Contents

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Delivery of 2019-20 Audit Plan	7
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1. Introduction

Purpose of this report

- 1.1 The Chief Finance Officer, as the S151 is responsible for maintaining an adequate and effective system of internal audit.
- 1.2 It is the responsibility of senior management to establish an appropriate and sound system of internal control that supports the achievement of the Council's objectives and for putting in place arrangements for gaining assurance about the effectiveness of that overall system. A key element of assurance is the overall assurance opinion from the Audit Manager.
- 1.3 The main objectives of the internal control systems are to ensure:
- compliance with the Council's policies, procedures and directive in order to achieve the Council's objectives
 - high standards of corporate governance are achieved and maintained throughout the Council
 - that assets are safeguarded
 - the relevance, reliability and integrity of information and the completeness and accuracy of records
 - compliance with statutory requirements, recognized standards and best practice.
- 1.4 Systems of control can only ever provide reasonable, but not absolute, assurance that control weaknesses and irregularities do not exist, and that there are no risks of material errors, losses, fraud or breaches of laws or regulations. The Council is therefore continually seeking to improve the effectiveness of its systems of internal control.
- 1.5 The Public Sector Internal Audit Standards (PSAIS), which came into effect in April 2013, require that:
- the Audit Manager must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement
 - the annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control
 - the annual report must incorporate:
 - the opinion;
 - a summary of the work that supports the opinion; and
 - a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme

The role of Internal Audit

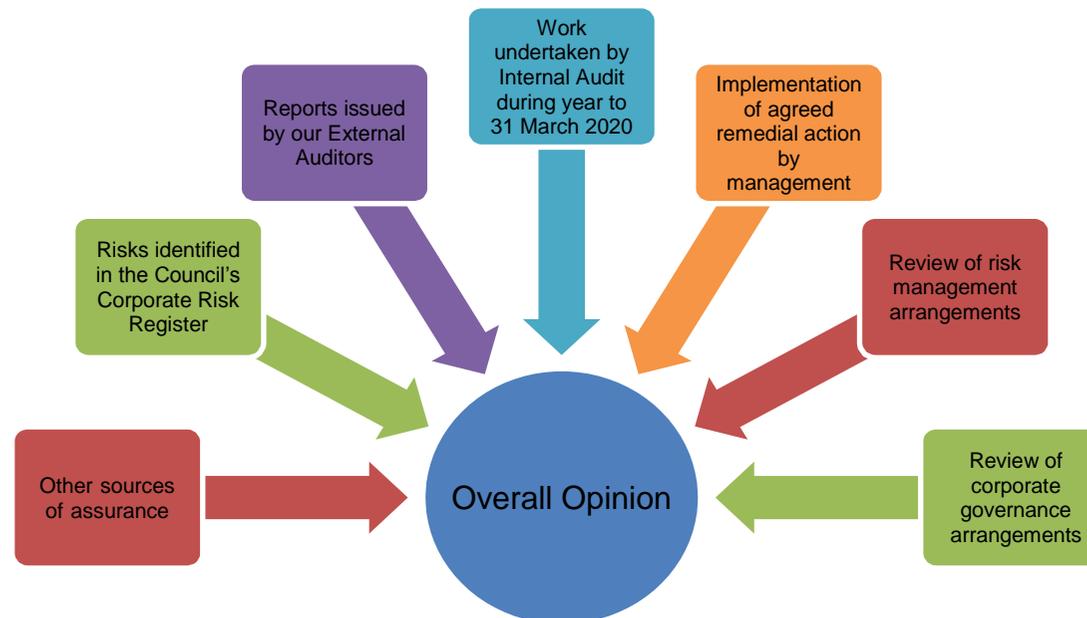
- 1.6 The Public Sector Internal Audit Standards 2017 (PSIAS) defines Internal Audit as "... *an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes*"

1.7 Internal Audit is charged with continually reviewing the system of internal control system on behalf of the Council and its management. Internal Audit objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources. The work of Internal Audit is based upon a risk assessment of the Council's financial and non-financial systems, from which an annual audit plan is established that was approved by the Audit and Governance Committee in March 2019.

2. Overall Opinion and Assurance Statement

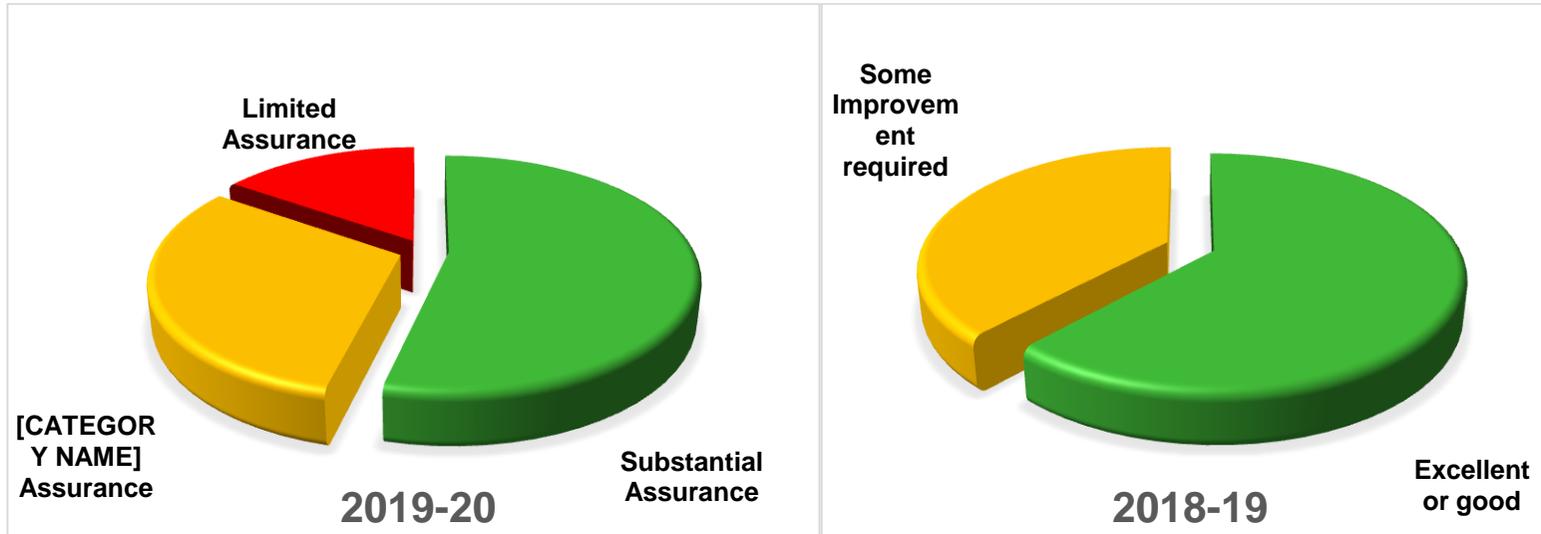
Basis of Opinion

2.1 Our evaluation of the control environment is informed by a number of sources:



Summary of assurance provided by the Internal Audit Service

2.2 A summary of all the assurance we have provided during the year is shown below. This includes each audit review directed to provided controls assurance but it excludes any fraud investigation work. A comparison is provided with 2018/19 which shows an increase in the overall percentage of limited assurance ratings.



Management’s response to our findings

2.3 Management’s response to Internal Audit findings throughout the year was positive. Action plans were agreed and actions are already being implemented by nominated officers. There were no instances where remedial action was not agreed with management. We will follow-up all ‘medium’ and ‘high’ risk findings during the course of 2020-21 and continue to provide support to management to develop and implement solutions to the controls issues identified.

Follow-up of our previous work

2.4 We have undertaken work to ascertain progress in implementing previously agreed remedial action from all work completed in previous year’s reviews. Good progress has been made to implement the action plans as agreed, however, in some instances management have not been able to implement the remedial action within the timescales originally agreed. However, most agreed remedial action has been or is being implemented and revised action plans have been agreed where necessary. All ‘high’ risk actions are required to be implemented immediately.

Overall Opinion

- 2.5 From the audit work undertaken during the year and taking into account the other sources of assurance identified above, we consider that the key systems are operating satisfactorily and that there are no fundamental breakdowns of control resulting in material discrepancy. As mentioned above, no system of control can provide absolute assurance against material loss, nor can Internal Audit give that assurance, this statement is only intended to provide an opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's internal control system in the year to 31 March 2020.

3. Key Issues and themes

Internal Control Framework

- 3.1 Our work found no evidence of significant issues in the internal control framework and we consider that management have responded appropriately and positively to agreeing and implementing remedial action.
- 3.2 The Council continues to make changes to its organisational structures and ways of working as it transforms the way in which services are delivered within the financial constraints of the current economic climate. During 2019-20 the Council has also moved to an agile and flexible working environment. This has kept the overall risk to the internal control environment high with changes in staff responsibilities and the reduction of available resources.
- 3.3 The Council now has a fully functioning Procurement Team in place, which is effectively managing Council procurements. The next phase is to ensure that contract management is an integral part of the procurement cycle to ensure that it is undertaken effectively and consistently across the Council's contracts. In light of Covid19 and the need for ongoing social distancing for the foreseeable future, the planned rollout of contract management training across the organisation will be reviewed and options considered around virtual and online training.
- 3.4 Due to the Covid19 pandemic and the lockdown measures that were put in place in March 2020, the Council is facing increased cost and demand pressures at the same time as seeing a significant drop in income. Support from Central Government has mitigated some of the pressures, but the longer term impact could still be damaging to the Council's financial position.
- 3.5 Due to the Covid19 pandemic and the lockdown measures that were put in place in March 2020, the Government has laid new regulations before Parliament to allow for virtual Council meetings to be held. The Council was the first to use the new regulations, holding a meeting of the Executive virtually, two days after the regulations came into force. Initial meetings were held via Skype for Business, but this has been replaced by Zoom. All meetings are streamed live via Facebook as they were previously to enable the public to view all Council business transparently. Members of the Public can also "attend" the meeting to ask questions using the normal notification procedure.
- 3.6 The move to an agile and flexible working environment as part of the Organisational Development Plan will impact on the control environment in some instances which will require a review and in some cases adaptation of existing controls.

3.7 The Covid19 pandemic has created a significant increase in fraud risk. The Council has already experienced at least one instance of a fraudster attempting to change a suppliers bank details. Grant schemes always attract individuals hoping to exploit the system and with the Government Covid19 grants schemes this risk has also further increased.

3.8 These key issues are reported within the Annual Governance Statement, along with a summary of action to be taken. Progress will be subject to regular monitoring by this Committee.

Risk management

3.9 During the last twelve months the Council has been working with Zurich, the Council's insurance providers and Internal Audit, to review the Corporate Risk Register and to work with services to review their own operational Risk Registers. This has led to a streamlining of the Corporate Risk Register and a reduction in the number of risks recorded with many of the risks being moved to the Operational Risk Registers. The Risk Management Guidance has been updated accordingly. Zurich, supported by Internal Audit, have provided a number of briefing sessions to Managers to guide them through the risk management and business continuity process and to assist in the establishment or update of the Service's Risk Registers and Business Continuity Plans.

3.10 Following a review of responsibilities in response to moving forward with the Organisational Development Plan, the process for reviewing and updating the Corporate Risk Register is now facilitated by Internal Audit.

Counter Fraud

3.11 During 2019-20 we have conducted a high level review and updated the Fighting Fraud Locally self-assessment checklist. The Government has just published a revised Fighting Fraud and Corruption Locally Strategy for the 2020's, which will be launched officially later this year (October 2020). We will be conducting a further and more detailed self-assessment against the new strategy later in the financial year.

Regulation of Investigatory Powers (RIPA)

3.12 As co-ordinators of RIPA for Exeter City Council we are required to report to this committee on the use of RIPA by the Council. During 2019-20 RIPA powers were not used by this Council.

4. Delivery of 2019-20 Audit Plan

4.1 The Internal Audit plan for 2019-20 was approved by the Audit and Governance Committee in March 2019 and the committee received quarterly updates on progress against the plan. The table below shows the completion of the approved audit plan together with outcomes of all audits undertaken within the year, (including those completed in Quarter 4 - 1st January 2020 to 31st March 2020).

PROGRESS OF 2019/20 AUDIT PLAN AND SUMMARY OF OUTCOMES

Audit Area	Budget	Actual	Report	Direction of travel	Audit opinion	Summary of Audit Outcome
------------	--------	--------	--------	---------------------	---------------	--------------------------

	Days	Days	Status	since last audit		
Planning (Follow-up) Building Control (Follow-up) New Homes Bonus (Follow-up) CIL/Section 106 (Follow-up)	29	15.6	Final	N/A	For information only, no opinion issued	This report relates to the combined follow-up of the following Internal Audit reports issued during the previous financial year: <ul style="list-style-type: none"> • Planning – June 2018 (Assurance rating: Some improvement required) • Building Control – April 2018 (Assurance rating: Good) • S106 agreements – July 2018 (Assurance rating: Some improvement required) • CIL/S106 – September 2017 (Assurance rating: Some improvement required) It was identified at the pre-audit meeting that a significant number of actions were still outstanding in respect of the previous CIL/S106 action plans. As a result of the above, the scope of this audit was to: <ul style="list-style-type: none"> • for all the above areas - to review progress to date on implementing the agreed recommendations from the last report, identifying all outstanding actions • review the current processing times for minor and major there has been an improvement in the processing times taken for planning applications since the last audit and a reduction in the backlog situation. There are still a few weaknesses in the areas covered by the audits but the introduction of the new computer system (Exacom) by the end of March 2020 should greatly assist officers in maintaining accurate records of S106 and CIL arrangements and in monitoring trigger points and recovering contributions due.
Main Accounting	10	6.7	In progress			This audit was put on hold due to Covid19 pandemic.
Income Management	15	12.6	Draft			
Procurement	15	36.1	Draft			
Creditors – duplicate payments	10	22.1	Final	↔	Substantial	The Council uses a purchase ledger system (EFINS) to make payments. Ideally all goods and services are purchased following the raising of a purchase order, however this is not mandatory and it increases the risk of duplicate and overpayments being made. As a side note to this, the Council's External Auditors have hi-lighted the lack of purchase orders being raised within the Council. As a result of this, the Chief Finance Officer has referred this to the Senior Management Board and it is now being progressed by this team. This should then have the knock-on effect of

						<p>reducing the number of duplicate and overpayments made.</p> <p>The scope of the audit included:</p> <ul style="list-style-type: none"> • reviewing all potential duplicates/overpayments for the period 1 May 2018 to 16 May 2019 • checking that recovery action has been taken when invoices were paid twice or overpayments made • ensuring that the credit notes registered on EFINS as at 16 May 2019 will be offset by future invoices issued by the supplier or where the supplier is unlikely to be used again, the service area has requested a BACS refund. <p>A total of 5 'medium' risk finding were identified and remedial action was agreed with management.</p>
Creditors – Corporate Credit Card	10	10	Final	Previous audits have been combined with creditor payments	Substantial	<p>In addition to paying Creditors via EFINS (which is the Council's purchase ledger system) there is also the facility for staff to purchase items using one of the Council's credit cards which are held by nominated officers.</p> <p>As at October 2019, corporate credit cards had been issued to 51 members of staff.</p> <p>The scope of the audit included checks that; a separation of duties exist between the person placing the order and the person authorising the order; the order is authorised prior to it being placed and where applicable, a valid VAT receipt is held.</p> <p>Remedial action has been agreed for all findings. The medium risk findings related to incorrect VAT codings and lack of evidence to support prior approval of some transactions.</p>
VAT	10	7.8	Draft			
Insurance	7	0.2	Defer to 20/21			Note: Audit deferred to 2020/21 due to restructure and significant staff changes
People Management	20	16.2	Final	↓	Limited	<p>The Transactional Services Team provide HR, payroll, Learning & Development and recruitment administration for the Council. Furthermore, the team also provide the payroll function for three Citizen Advice Bureau's in Devon, the Exeter Business Centre and Exeter City Living.</p> <p>There are currently 700 full/part time salaried employees and 688 casual employees, this includes 452 casually employed for election work.</p> <p>The scope of the audit included checks on; starters and leavers details; variable monthly payments to and from employee salaries; the procedures in place for identifying IR35 contractors; the process undertaken when services are procured by/from Human Resource</p>

						<p>At the time of final report there was one risk relating to the lack of guidance to Managers about the correct administration of IR35 contractors, where remedial action wasn't agreed, however, we have since been advised that the Manager has now agreed to issue guidance.</p> <p>With the exception of the above remedial action was agreed for all findings.</p> <p>Medium risk findings related to:</p> <ul style="list-style-type: none"> • Lack of evidence to support qualifications and references for some starters; variations to pay and amendments to final pay. • The administration of IR35 contractors • Failure to comply with contract regulations
Environmental Health – Warm-up grants	7	7.6	Final	Not previously audited	Satisfactory	<p>In 2015 the government introduced the Better Care Fund in an attempt to bring health and social care together in an integrated way. The fund is a combination of government funding from the Department of Health and the Department for Communities and Local Government and includes the grant allocation for Disabled Facilities Grants and Warm Up Grants.</p> <p>Warm up grants (up to a maximum of £2k per property) provide:</p> <ul style="list-style-type: none"> • top up funding for energy efficiency measures where energy providers are part funding energy efficiency measures under their Energy Company Obligation (ECO) or • to fund energy efficiency measures which do not attract Energy Company Obligation which do not attract Energy Company Obligation, for example, insulation to mobile homes and the installation of central heating for the first time. <p>For the period 01/04/18 to 21/06/19 a total of 94 warm up grant payments were made, with a total value of £176,780.</p> <p>The Scope of the audit included a review of the following areas:</p> <ul style="list-style-type: none"> • Policies and procedures • Eligibility • Approval of applications • Checks on new suppliers • Supplier agreements, e.g. data sharing • Payment of grant and authorisation • Monitoring of grant income <p>Samples of transactions were selected over the period 1 April 2018 to 21 June 2019 for examination and members of staff were interviewed in order to check</p>

						<p>the effectiveness of the internal controls and procedures in operation.</p> <p>A total of 7 'medium' risk issues raised and remedial action was agreed with management.</p>
Health & Safety	8	7.1	Draft			
Car Parks	9	8.1	Final	No previous audit	Satisfactory	<p>The City Council operate 32 car parks which provides more than 4,000 parking spaces for the needs of shoppers, residents, visitors and people who work in the City.</p> <p>There is a charge for using the car parks, if the car park users fail to comply with these charges then penalty notices are issued. The issuing of penalty notices/civil parking enforcement is covered under the Traffic Management Action 2004, and Civil Enforcement Officers (CEO's) undertake this role.</p> <p>There are two separate teams within Public Realm – Car Parks; CEO – Car Parks Their prime responsibility is undertaking parking enforcement in the car parks.</p> <p>CEO – Response and Cash In Transit (CIT) The Response team deals with travellers, stray dogs, tent removal and anti-social behaviour. The CIT team undertake the cash collection role for both Exeter City Council and Teignbridge District Council. When resources allow both of these teams will also undertake parking enforcement.</p> <p>The Car Park and Response CEO's often work alone and in some instances experience very hostile environments</p> <p>The overall objective of this audit was to review operational controls in respect of staff safety and the provision of personal protection equipment and to identify improvements where relevant.</p> <p>The scope of the audit included checking:</p> <ul style="list-style-type: none"> • that the correct personal protective equipment (PPE) is being provided • that staff are correctly wearing and/or using the PPE • that operational protocols are sufficient to help protect staff • what improvements are needed to ensure staff are safe <p>Remedial action has been agreed with management for all six medium risk findings identified.</p>
Housing Benefits – Transfer to Universal Credit	10	6.3	Final	N/A	Report for information only – no audit opinion	<p>Universal Credit Full Service was rolled out in Exeter from 26 September 2018. From this date the legal gateway for most working age customers to claim Housing Benefit was closed.</p>

					issued	<p>Further changes were made to the gateway conditions in January 2019 (Severe Disability Premium) and February 2019 (families with more than two children). The scope of the audit was to test a sample of current claims in receipt of HB to provide assurance that claims were being handled correctly and that none of the claimants should actually be claiming Universal Credit.</p> <p>There were no issues arising.</p>
NDR	10	9.3	Final		Substantial	<p>Business Rates (or Non-domestic Rates) are a tax on business properties such as shops, offices, factories, pubs, masts and advertising hoardings and is the businesses contribution towards the cost of local services. The tax is set by the government and is based on the 'rateable value' of the property.</p> <p>Exeter City Council is in the Devon Business Rates Pool for which Plymouth is the lead authority. Under the business rates retention arrangements introduced from 1st April 2013, authorities keep a proportion of the business rates paid locally.</p> <p>The scope of the audit included; identification of new properties; notifications to the Valuation Office; VO reconciliations; reliefs and exemptions (including retail relief); billing system parameters and income and refund reconciliations</p> <p>We were pleased to note that no high or medium risks were identified</p>
Housing Development Company	5	2	Defer to 20/21			This audit was started but deferred to 20/21 due to the Covid19 outbreak.
Housing Customers/ Assets – Mutual Exchanges	15	21.3	Final	Not previously audited	Substantial	<p>A mutual exchange is a home swap between two social housing tenants. It can happen for many reasons, such as needing more (or less) space, moving for work or to be closer to family. It is a good option for social housing tenants who cannot access or do not want to wait for the normal allocation process. It gives tenants more control and enables them to choose a home that suits their needs better in a place that they want to live.</p> <p>ECC Tenants can transfer with other ECC tenants or they can also swap with tenants of other Registered Social Landlords, in the area and outside. They can use a website (HomeSwapper) to help search for possible swaps and to get in touch with other tenants.</p> <p>The legislation covering mutual exchanges is contained in the Housing Acts 1985/1988/1996/2004, Localism Act 2011 and the Transfer and Right to Acquire (Exclusion) Regulations 2012.</p> <p>Since 1 August 2018, there were approximately 70 new tenancies with a start reason 'internal or external exchange'.</p> <p>The scope of the testing included a review of the following areas:</p> <ul style="list-style-type: none"> • policies and procedures

						<ul style="list-style-type: none"> • processing of application • checks on applicants – including rent arrears, over/under occupation etc. • property inspections • confirmation of non-standard items left in properties • completion of assignment deeds • refusals • appeals <p>A total of 5 'medium' risk issues were identified and remedial action agreed with management.</p>
Housing Customers/ Assets – Disabled Adaptations			Final		Satisfactory	<p>Housing tenants are considered for a disabled adaptation if they have a physical or other disability for illness which has a serious and long term effect on their ability to carry out normal day-to-day activities, or if they are the spouse, partner or a member of the immediate family who is permanently resident at the address.</p> <p>In accordance with the Housing Grants, Construction and Regeneration Act 1996, the Council will only carry out adaptations that are reasonable and practicable for the property.</p> <p>Since 1 August 2018, approximately 495 payments for disabled adaptations have been made. The 2018/19 budget for disabled adaptations is £595,910 of which £136,731 had been spent as at 14/08/19.</p> <p>The scope of the testing included a review of the following areas:</p> <ul style="list-style-type: none"> • Applications and supporting evidence • Prioritisation of disabled works • Pre-works property visits • Post-work completion quality checks <p>A total of 8 'medium' risk issues were identified and remedial action agreed with management.</p>
Civic Ceremonials	5	8.5	Final	No previous report	Satisfactory	<p>The Mayoralty Team are responsible for the Council's Civic functions. Each year they organise over 20 civic ceremonies, examples of which are the St George's Parade, Armed Forces Day, Legal Sunday, Lammas Fayre and the Annual Remembrance Day services. Furthermore, they manage the Lord Mayor's Charity and also undertake the administration of the hiring out of the Guildhall 'Main Hall' and 'Jurys Room'</p> <p>The overall objective of this audit was to review the adequacy and effectiveness of the system of internal controls designed to manage and mitigate financial and non-financial risks relating to a selection of their processes as listed below;</p> <ul style="list-style-type: none"> • the Lord Mayor's Charity • the Guildhall booking process

					<ul style="list-style-type: none"> • the gift and alcohol stock held at the Guildhall • the employment of casual staff at the Guildhall <p>The sample of Guildhall 'bookings' were selected from 2018 to date.</p> <p>The 'high' risk findings related to Lord Mayor's Charity Trust Deed. The team were not aware of the trust and therefore were unable to confirm that the Council had been complying with the requirements of the Charity Commission. Since the audit further advice from Legal Services and the Finance Team have confirmed that the Council submit the required returns to the Charity Commission on an annual basis.</p> <p>Remedial action has been agreed with management for all findings.</p>
Corporate Governance	10	10	Final	↑	<p>Substantial</p> <p>A full copy of this audit report was issued to all members of this committee on 11th May 2020.</p> <p>The Framework Delivering Good Governance In Local Government, published by CIPFA in association with Solace in 2007, sets the standard for local authority governance in the UK. CIPFA and Solace reviewed the Framework in 2015 to ensure that it remains 'fit for purpose' and published a revised edition in spring 2016. The concept underpinning the Framework is that it is helping local government in taking responsibility for developing and shaping an informed approach to governance. The overall aim is to ensure that:</p> <ul style="list-style-type: none"> • resources are directed in accordance with agreed policy and according to priorities • that there is sound and inclusive decision making • and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities. <p>The scope of the audit included a review of the following seven core principles of good governance from Delivering Good Governance in Local Government Framework (CIPFA/Solace 2016) which are:</p> <ul style="list-style-type: none"> - behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of the law - ensuring openness and comprehensive stakeholder engagement - defining outcomes in terms of sustainable economic, social and environmental benefits - determining the interventions necessary to optimise the achievement of the intended outcomes - developing the entity's capacity, including the capability of its leadership and the individuals within it - managing risks and performance through robust internal control and strong public financial management

						- implementing good practices in transparency, reporting and audit to deliver effective accountability
Risk Management	20	6.3	No report due			Internal Audit supported Executive Support and Zurich with a series of Risk Management workshops for Service Leads from November into March.
Business Continuity Management	12	0.4	Defer to 20/21			Deferred to 2020/21 due to the work being undertaken on risk management which will lead into services compiling business continuity plans.
Information Governance	10	5.2	Progress report only			<p>The scope of this audit was to review progress to date on implementing the agreed recommendations from the last audit report to provide an update to management and in addition, to provide assurance that the Council has an adequate information governance framework in place.</p> <p>Since the last report, a limited amount of work has been undertaken due to the move to an agile and flexible work place having taken priority. The work on this project has now largely completed so the IGF will resume meeting quarterly with effect from March 2020. Whilst there is still work to be undertaken in some areas to further improve existing policies, procedures and processes, the work undertaken to date provides assurance that the Council is now managing its information assets more effectively and therefore is reducing the risk of loss of information confidentiality, integrity and availability.</p>
Counter Fraud	10	8.1	No report due			During 2019-20 we have conducted a high level review and updated the Fighting Fraud Locally self-assessment checklist.
Partnerships	5	9.3	Draft			
Contract Management	15	8	Draft			
Community Grants Awarded	5	0.9	In progress			This audit was put on hold due to the Covid19 Pandemic
External Funding Received	9	11	Final	No previous report	Substantial	<p>External grant funding is generally the provision of monies from an external source in order to fund specific capital and revenue projects. The source of such funding is generally from Central Government i.e. New Homes Bonus payments and DWP grants but external funding can also come from private organisations such developers in the form of s106 monies.</p> <p>The overall objective of this audit was to review the adequacy and effectiveness of the system of internal controls designed to manage and mitigate financial and non-financial risks relating to the receipt and monitoring of External Funding.</p> <p>We were pleased to note that no high or medium risks were identified.</p>
Safeguarding	8	2	Defer to 20/21			Deferred to 20/21 as a result of the Covid19 outbreak
Project Management	10	3.9	No report due			<p>At the start of the year Internal Audit assisted with some due diligence work around the Leisure Development and Bus Station redevelopment contracts.</p> <p>(We weren't sure at the start of the year how much work we would be doing in this area but there wasn't as much to do as expected.)</p>

Disabled Facilities Grant	8	8.5	Final	↕	Substantial	<p>If a house owner or someone living in their property is disabled they may qualify for a disabled facilities grant towards the cost of providing adaptations and facilities to enable the disabled person to continue living there.</p> <p>The awarding of these grants by local councils is governed by part one of the Housing Grants, Construction and Regeneration Act 1996. Devon County Council has been allocated funds by Central Government to support disabled adaptations. A share of this money is then allocated to each local authority within Devon to administer on behalf of DCC.</p> <p>For the 2018/19 year, ECC was awarded £801,181 from the Better Care Fund, which included £231,453 of underspend in respect of the previous year (2017/18).</p> <p>The local allocation formula helps allocate surplus funds to local authorities where the greatest demand for DFG's arises. The 2018/19 formula was based upon the average DFG actual spend for the last two years at a district council level, plus an equal allocation for top-ups based upon the last two year spend by DCC, plus an equal share of the remaining pot to be allocated to deliver the new Regulatory Reform Order (RRO) policy. The RRO policy allows local authorities to create assistance schemes which help people meet their needs without going through the full DFG process.</p> <p>Samples of transactions were selected over the period 1 April 2018 to 31 March 2019 for examination and members of staff were interviewed in order to check the effectiveness of the internal controls and procedures in operation.</p> <p>A total of 3 'medium' issues were identified and remedial action agreed with management.</p>
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Other

RIPA Administration	3	1.4
Contingency (special/frauds) including unplanned work	30	73.5*
Follow-ups	12	14
Audit Development – Data Analysis/CAAT development/stakeholder survey	15	8.9
Process Mapping	30	24.5

Audit planning and control	50	41.3
NFI	3	10.1
External Audit	3	0.6
Review of hospitality/disclosures	2	1.3
PSIAS Peer Review	5	3.6
Total	470	450.3**

Notes

* 37 days spent on Agile and Flexible Project (unplanned)

** Overspend on non-productive time i.e. Admin and Meetings and Elections has resulted in the shortfall of productive time shown here.

5. Summary of investigations 2019/20

5.1 In addition to the planned work, we have also worked on a number of reported concerns and investigations. A summary of this work is shown below, which includes all fraud that has been identified during the year (excluding housing benefits fraud).

Internal Audit received 50 reports during 2019/20, (42 in 2018/19) and increase of 23% of which:

- 29 were received via the online “Report It” facility on the website (29 were reported anonymously)
- 6 were received via the telephone fraud hotline
- 10 were received via email
- 5 concerns were raised with Internal Audit direct

Of the 50 reports received:

- 15 were in relation to possible fraudulent claims of housing benefit and single occupier discount for council tax purposes. HB cases were referred on to the DWP for investigation, as with effect from 01 April 2015 all HB fraud investigation is now undertaken by them. All single occupier discount cases were referred to the Council Tax service for further investigation.
- 8 were allegations of housing tenancy issues
- 13 issues were in relation to other Council Services
- 6 were issues not dealt with by the Council so were referred to the appropriate external agency
- 3 were in respect of Right to Buy applications

Internal Audit Investigations

- 4 cases referred to Internal Audit were investigated but were not proven
- 1 investigation is still ongoing

Fraud identified within other services 1 April 2019 to 31 March 2020

Date Notified	Type of Fraud	Number of cases	Total value of fraud	How detected
28.06.19	Corporate Credit Card	1	£385.95	Card holder identified fraud and notified Finance. Finance reported to the Council's bank who refunded the money. A new card was also issued to the card holder.

Use of Whistleblowing policy

Although a number of concerns were raised throughout the year, none were required to be dealt with under the Whistleblowing Policy.

6. Quality Assurance and Improvement Programme

6.1 The Public Sector Internal Audit Standards (PSIAS) state that the Audit Manager must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity and to demonstrate that the internal audit service is:

- (a) meeting its aims and objectives;
- (b) compliant with the PSIAS;
- (c) meeting internal quality standards;
- (d) effective, efficient, continuously improving; and
- (e) adding value and assisting the organisation in achieving its objectives

The results of the programme must be reported at least annually to the Audit and Governance Committee.

6.2 Performance, quality and effectiveness should be assessed at two levels:

- for each individual audit; and
- for the internal audit service as a whole.

This performance management and quality assurance framework must include, but is not limited to:

- A comprehensive set of targets to measure performance. The Audit Manager should measure, monitor and report appropriately on the progress against these targets;
- seeking user feedback for each individual audit and periodically for the whole service;
- Periodic self-assessments to evaluate conformance with the Code of Ethics and the Standards

- An external assessment every 5 years with the scope agreed by an appropriate sponsor; and
- An action plan to implement improvements.

Performance Indicators

6.3 There are no national performance indicators in existence for Internal Audit, but we do monitor the following Local Performance Indicators (LPI's):

Local Performance Indicator	Target	Actual
Percentage of Audit plan completed	95%	92%
Customer satisfaction - % Good or Excellent as per feedback forms	90%	100%
Draft reports produced within 10 days	90%	95%
Final reports produced within 10 days	90%	100%
Follow-up within 12 months	95%	100%
Training days per auditor post per annum	6 days	3.9 days
Number of process improvements		5

6.4 The target for percentage of the audit plan completed was not met due to the implementation of the corporate Agile and Flexible work programme. A total of 37 days was spent on this project to enable to the team to attend a number of workshops and to complete work required as a result of the programme.

User Feedback

6.5 The customer satisfaction results are derived from the customer satisfaction surveys issued following each individual audit. There were 10 surveys issued with 4 returned.

Some of the feedback comments received include:

- I have some knowledge of the audit process having worked in Financial Services for many years. The auditor is a great asset to the council.
- I find the Audit Opinion and Conclusions very helpful
- The fact that we could sit down and discuss the findings before the report was formally issued was a great help, as it allowed us to look at them in the context of everything else.
- The conduct of the auditor and audit reporting; the audit was carried out in a full and professional manner throughout. The auditor produced the draft report promptly and we were able to discuss the findings before the final report was issued.

Public Sector Internal Audit Standards (PSIAS)

Independent Assessment

6.7 The PSIAS requires that an independent assessment of compliance with the standard is undertaken once every 5 years. In January 2020 an independent review was undertaken by the Devon Audit Partnership. As reported to this committee in March 2020, the external assessor concluded that:

“It is our overall opinion that the Exeter City Council Internal Audit Team **generally conforms** to the Public Sector Internal Audit Standards, including the *Definition of Internal Auditing*, the *Code of Ethics* and the *Standards*.” **Generally Conforms** is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards

Self-Assessment

6.8 The standard also requires that the Audit Manager undertakes a periodic self-assessment of compliance. This last self-assessment was undertaken in March 2019, in preparation for our independent assessment due in 2019/20, when it was found that the service was 97.9% compliant.

REPORT TO Audit & Governance Committee
Date 22 July 2020
Report of: City Solicitor
Title: Model Member Code of Conduct

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1.1 What is the report about?

1.1 This report brings Members' attention to a Model Member Code of Conduct, on which the Local Government Association is seeking comments during a consultation exercise which concludes in mid August 2020.

1.2 The report highlights the additional elements contained in the model code, particularly when compared to the existing code adopted by this Council.

1.3 It was worth remembering that whilst the LGA has issued this model code of conduct, it is offered as a template for councils to adopt in whole and/or with local amendments.

2. Recommendation:

2.1 That the Audit & Governance Committee consider the Model Code of Conduct and comment accordingly, delegating the City Solicitor in consultation with the Chair of this Committee, to submit any comments on behalf of the Council.

3. Reasons for the recommendation:

3.1 The timetable given for comments on the model code of conduct is 13 August 2020

4. What are the resource implications including non financial resources.

4.1 None.

5. Section 151 Officer comments:

5.1 There are no financial implications for Council to consider.

6. What are the legal aspects?

6.1 It is important that the Council operates a Code of Conduct for its councillors, which creates and maintains public confidence in the role of a member and local government.

7. Monitoring Officer's comments:

7.1 This report raises no issues for the Monitoring Officer.

8. Report details:

- 8.1 The Council has adopted a Code of Conduct which follows the previous model code, albeit adapted for local circumstances, with this forming part of the Constitution.
- 8.2 The Local Government Association has recently issued, for consultation, a revised Model Member Code of Conduct, and this is attached as Appendix A to this report for the Committee's information.
- 8.3 It is seeking the views of local authorities on this Code with a deadline of 13 August 2020 being given for such comments to be submitted.
- 8.5 The purpose of the Code is to assist councillors in modelling the behaviour expected of them, to provide a personal check and balance, and to set out the type of conduct against which appropriate action may be taken. It is also to protect councillors, the public, council officers and the reputation of local government. It sets out the conduct expected of all members and a minimum set of obligations relating to conduct. The overarching aim is to create and maintain public confidence in the role of members and local government.
- 8.6 The draft Model Code goes on to set out the following specific obligations of general conduct, which, it is suggesting, must be observed in all situations where as Councillor is acting (or claiming or giving the impression of acting) as a councillor, including representing the Council on official business or when using social media.
- 8.7 These are:-
- Treating other councillors and members of the public with civility;
 - Treating council employees, employees and representatives of partner organisations and those volunteering for the councils with civility and respecting the role that they play;
 - Not bullying or harassing any person;
 - Not compromising, or attempting to compromise, the impartiality of anyone who works for, or on behalf of, the Council;
 - Not disclosing information given in confidence or disclosing information acquired which is believed to be of a confidential nature, unless consent has been received from a person authorised to give it, or if required to do so by law;
 - Not preventing anyone getting information that they are entitled to be law;
 - Not bringing the role or council into disrepute;
 - Not using, or attempting to use, the position improperly to the advantage or disadvantage of myself or anyone else;
 - Not misusing council resources;
 - Registering and declaring interests;
 - Not accepting significant gifts or hospitality from person seeking to acquire, develop or do business with the council or from persons who may apply to the council for any permission, licence or other significant advantage;
 - Registering with the monitoring officer, any gift or hospitality with an estimated value of at least £25 within 28 days of its receipt.

- 8.8 Whilst implicit in the current Code of Conduct by this authority, not all of the above are as explicitly included in the code. It is therefore for the Committee to consider whether the inclusion of these points, together with the explanatory text which supports these points in the draft model code, if adopted by this Council, better explains the role and conduct expected of those taking up the position of councillor in Exeter.
- 8.9 The draft model code also goes on to give examples of an internal resolution procedure, together with potential actions which could be taken in cases of breaches of the code. Again, these are not explicitly included in the current code, as any such breaches are dealt with deemed appropriate by the Monitoring Officer in conversation with the Independent Person.
- 8.10 The Council's current code of conduct, extends from the previous model code insofar as it includes additional responsibilities in relation to the disclosure of part 2 interests (other registerable interest), where members are required to absent themselves from meetings where matters on which they have disclosed such interests are discussed. This is a local decision and the ability to do so again, remains with the latest draft model code.
- 8.11 Officers' views are that the inclusion of these more implicit procedures, will extend transparency in the process for the conduct of Members, as well as what happens when there are alleged breaches in the conduct of Members. As such, officers are supportive of the new model Code of Conduct.
- 8.12 However, the timescale for commenting on this prevents the matter being reported to Council for approval, so it is suggested that the Monitoring Officer (the City Solicitor), in consultation with the Chair of this Committee, be authorised to make comments to this effect.

9. How does the decision contribute to the Council's Corporate Plan?

- 9.1 This decision will help promote the City as one which sets defined guidelines for the conduct of its Members, as well as transparency in the process which will be adopted in how alleged breaches in Members conduct will be dealt with.

10. What risks are there and how can they be reduced?

- 10.1 There are no risks associated with the proposals

11. Equality Act 2010 (The Act)

- 11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:
- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
 - advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
 - foster good relations between people by tackling prejudice and promoting understanding.
- 11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the

authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

- 11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.
- 11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because the report is suggesting a new model code of conduct for those who are elected to the position of councillor, which is open to all.

12. Carbon Footprint (Environmental) Implications:

There are no direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

- 12.1 The Council could decide not to follow the model code of conduct, and continue with its existing one, which may then lead it to be out of line with other local authorities.

John Street
Corporate Manager, Democratic & Civic Support

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

Contact for enquires:
Democratic Services (Committees)
01392 265275

Local Government Association Model Member Code of Conduct

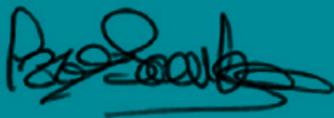
Introduction

The Local Government Association (LGA) is providing this Model Member Code of Conduct as part of its work on supporting the sector to continue to aspire to high standards of leadership and performance.

The role of councillor in all tiers of local government is a vital part of our country's system of democracy. In voting for a local councillor, the public is imbuing that person and position with their trust. As such, it is important that as councillors we can be held accountable and all adopt the behaviours and responsibilities associated with the role. The conduct of an individual councillor affects the reputation of all councillors. We want the role of councillor to be one that people aspire to and want to participate with. We want to continue to attract individuals from a range of backgrounds and circumstances who understand the responsibility they take on and are motivated to make a positive difference to their local communities.

All councils are required to have a local Member Code of Conduct. This Model Member Code of Conduct has been developed in consultation with the sector and is offered as a template for councils to adopt in whole and/or with local amendments. The LGA will undertake an annual review of the Code to ensure it continues to be fit-for-purpose, particularly with respect to advances in technology, social media and any relevant changes in legislation. The LGA can also offer support, training and mediation to councils and councillors on the application of the Code, whilst the National Association of Local Councils (NALC) and the county associations of local councils can offer advice and support to town and parish councils.

As a councillor we all represent local residents, work to develop better services and deliver local change. The public have high expectations of us and entrust us to represent everyone (in our ward/town/parish), taking decisions fairly, openly, transparently and with civility. Councillors should also be treated with civility by members of the public, other councillors and council employees. Members have both individual and collective responsibility to maintain these standards, support expected behaviour and challenge behaviour which falls below expectations. This Code, therefore, has been designed to protect our democratic role, encourage good conduct and safeguard the public's trust in local government.



Councillor Izzi Seccombe OBE
Leader, LGA Conservative Group



Councillor Nick Forbes CBE
Leader, LGA Labour Group



Councillor Howard Sykes MBE
Leader, LGA Liberal Democrats Group



Councillor Marianne Overton MBE
Leader, LGA independent Group

Purpose

The purpose of this Code of Conduct is to assist councillors in modelling the behaviour that is expected of them, to provide a personal check and balance, and to set out the type of conduct against which appropriate action may be taken. It is also to protect yourself, the public, fellow councillors, council officers and the reputation of local government. It sets out the conduct expected of all members and a minimum set of obligations relating to conduct. The overarching aim is to create and maintain public confidence in the role of member and local government.

Application of the Code

The Code of Conduct applies to you when you are acting [or claiming or giving the impression that you are acting]¹ in [public or in]² your capacity as a member or representative of your council, although you are expected to uphold high standards of conduct and show leadership at all times. The Code applies to all forms of member communication and interaction, including written, verbal, non-verbal, electronic and via social media, [including where you could be deemed to be representing your council or if there are potential implications for the council's reputation.] Model conduct and expectations is for guidance only, whereas the specific obligations set out instances where action will be taken.

The seven principles of public life

Everyone in public office at all levels – ministers, civil servants, members, council officers – all who serve the public or deliver public services should uphold the seven principles of public life. This Code has been developed in line with these seven principles of public life, which are set out in appendix A.

Model member conduct

In accordance with the public trust placed in me, on all occasions I will:

- act with integrity and honesty
- act lawfully
- treat all persons with civility; and
- lead by example and act in a way that secures public confidence in the office of councillor

In undertaking my role, I will:

- impartially exercise my responsibilities in the interests of the local community
- not improperly seek to confer an advantage, or disadvantage, on any person
- avoid conflicts of interest
- exercise reasonable care and diligence; and
- ensure that public resources are used prudently and in the public interest

Specific obligations of general conduct

This section sets out the minimum requirements of member conduct. Guidance is included to help explain the reasons for the obligations and how they should be followed. These obligations must be observed in all situations where you act [or claim or give the impression that you are acting] as a councillor [or in public], including representing your council on official business and when using social media.

As a councillor I commit to:

Civility

- 1. Treating other councillors and members of the public with civility.**
- 2. Treating council employees, employees and representatives of partner organisations and those volunteering for the councils with civility and respecting the role that they play.**

Civility means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a councillor you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a civil manner. You should not subject individuals, groups of people or organisations to unreasonable or excessive personal attack.

In your contact with the public you should treat them courteously. Rude and offensive behaviour lowers the public's expectations and confidence in its elected representatives.

In return you have a right to expect courtesy from the public. If members of the public are being abusive, threatening or intimidatory you are entitled to close down any conversation in person or online, refer them to the council, any social media provider or if necessary, the police. This also applies to members, where action could then be taken under the Member Code of Conduct.

Bullying and harassment

- 3. Not bullying or harassing any person.**

Bullying may be characterised as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. The bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and not always be obvious or noticed by others.

The Equality Act 2010 defines harassment as 'unwanted conduct related to a relevant protected characteristic, which has the purpose or effect of violating an individual's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for that individual'. The relevant protected characteristics are age, disability, gender reassignment, race, religion or belief, sex, and sexual orientation.

Impartiality of officers of the council

- 4. Not compromising, or attempting to compromise, the impartiality of anyone who works for, or on behalf of, the council.**

Officers work for the council as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. Although you can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

Confidentiality and access to information

- 5. Not disclosing information given to me in confidence or disclosing information acquired by me which I believe is of a confidential nature, unless I have received the consent of a person authorised to give it or I am required by law to do so.**
- 6. Not preventing anyone getting information that they are entitled to by law.**

Local authorities must work openly and transparently, and their proceedings and

printed materials are open to the public except in certain circumstances. You should work on this basis but there will be times when it is required by law that discussions, documents and other information relating to or held by the council are treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

Disrepute

7. Not bringing my role or council into disrepute.

Behaviour that is considered dishonest and/or deceitful can bring your council into disrepute. As a member you have been entrusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on other councillors and/or your council.

Your position

8. Not using, or attempting to use, my position improperly to the advantage or disadvantage of myself or anyone else.

Your position as a member of the council provides you with certain opportunities, responsibilities and privileges. However, you should not take advantage of these opportunities to further private interests.

Use of council resources and facilities

9. Not misusing council resources.

You may be provided with resources and facilities by the council to assist you in carrying out your duties as a councillor. Examples include office support, stationery and equipment such as phones, and computers and transport. These are given

to you to help you carry out your role as a councillor more effectively and not to benefit you personally.

Interests

10. Registering and declaring my interests.

You need to register your interests so that the public, council employees and fellow members know which of your interests might give rise to a conflict of interest. The register is a document that can be consulted when (or before) an issue arises, and so allows others to know what interests you have, and whether they might give rise to a possible conflict of interest. The register also protects you. You are responsible for deciding whether or not you should declare an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise.

It is also important that the public know about any interest that might have to be declared by you or other members, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained. Discuss the registering and declaration of interests with your Monitoring Officer/Town or Parish Clerk and more detail is set out in appendix B.

Gifts and hospitality

11. Not accepting significant gifts or hospitality from persons seeking to acquire, develop or do business with the council or from persons who may apply to the council for any permission, licence or other significant advantage.

12. Registering with the monitoring officer any gift or hospitality with an estimated value of at least £25 within 28 days of its receipt.

You should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you

because you are a member. However, you do not need to register gifts and hospitality which are not related to your role as a member, such as Christmas gifts from your friends and family, or gifts which you do not accept. However, you may wish to notify your monitoring officer of any significant gifts you are offered but refuse which you think may have been offered to influence you.

Note – items in square brackets [x] refer to recommendations made by the Committee on Standards in Public Life and may be part of a future Government consultation. This includes possible future sanctions and appeals processes.

Breaches of the Code of Conduct

Most councillors conduct themselves appropriately and in accordance with these standards. Members have both individual and collective responsibility to maintain these standards, support expected behaviour and challenge behaviour which falls below expectations.

Section 27 of the Localism Act 2011 requires relevant authorities to promote and maintain high standards of conduct by members and co-opted members of the authority. Each local authority must publish a code of conduct, and it must cover the registration of pecuniary interests, the role of an 'independent person', and sanctions to be imposed on any councillors who breach the Code.

The 2011 Act also requires local authorities to have mechanisms in place to investigate allegations that a member has not complied with the Code of Conduct, and arrangements under which decisions on allegation may be made.

Failure to comply with the requirements to register or declare disclosable pecuniary interests is a criminal offence. Taking part in a meeting or voting, when prevented from doing so by a conflict caused by disclosable pecuniary interests, is also a criminal offence.

Political parties may have its own internal standards and resolution procedures in addition to the Member Code of Conduct that members should be aware of.

Example

LGA guidance and recommendations

Internal resolution procedure

Councils must have in place an internal resolution procedure to address conduct that is in breach of the Member Code of Conduct. The internal resolution process should make it clear how allegations of breaches of the Code of Conduct are to be handled, including the role of an Independent Person, the appeals process and can also include a local standards committee. The internal resolution procedure should be proportionate, allow for members to appeal allegations and decisions, and allow for an escalating scale of intervention. The procedure should be voted on by the council as a whole.

In the case of a non-criminal breach of the Code, the following escalating approach can be undertaken.

If the breach is confirmed and of a serious nature, action can be automatically escalated.

1. an informal discussion with the monitoring officer or appropriate senior officer
2. an informal opportunity to speak with the affected party/ies
3. a written apology
4. mediation
5. peer support
6. requirement to attend relevant training
7. where of a serious nature, a bar on chairing advisory or special committees for up to two months
8. where of a serious nature, a bar on attending committees for up to two months.

Where serious misconduct affects an employee, a member may be barred from contact with that individual; or if it relates to a specific responsibility of the council, barred from participating in decisions or information relating to that responsibility.

Endnotes

1. CSPL recommend that “Section 27(2) of the Localism Act 2011 should be amended to state that a local authority’s code of conduct applies to a member when they claim to act, or give the impression they are acting, in their capacity as a member or as a representative of the local authority”.
2. CSPL recommend that “councillors should be presumed to be acting in an official capacity in their public conduct, including statements on publicly accessible social media. Section 27(2) of the Localism Act 2011 should be amended to permit local authorities to presume so when deciding upon code of conduct breaches.”
3. Subject to footnotes 1 and 2 above
4. See CSPL website for further details www.gov.uk/government/news/the-principles-of-public-life-25-years
5. ACAS’s definition of bullying

Appendices

Code Appendix A

The principles are :

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

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

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Code Appendix B

Registering interests

1. Within 28 days of this Code of Conduct being adopted by the council or your election or appointment to office (where that is later) you must register with the Monitoring Officer the interests which fall within the categories set out in Table 1 (Disclosable Pecuniary Interests) and Table 2 (Other Registerable Interests).
2. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest in Table 1 or 2, or of any change to a registered interest, notify the Monitoring Officer.

Declaring interests

3. Where a matter arises at a meeting which directly relates to an interest in Table 1, you must declare the interest, not participate in any discussion or vote on the matter and must not remain in the room unless granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.
4. Where a matter arises at a meeting which directly relates to an interest in Table 2, you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.

5. Where a matter arises at a meeting which directly relates to your financial interest or well-being (and is not a Disclosable Pecuniary Interest) or a financial interest or well-being of a relative or close associate, you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.
6. Where a matter arises at a meeting which affects –
 - a. your own financial interest or well-being;
 - b. a financial interest or well-being of a friend, relative, close associate; or
 - c. a body covered by table 1 below

you must disclose the interest.

7. Where the matter affects the financial interest or well-being to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.

Table 1: Disclosable Pecuniary Interests

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain. [Any unpaid directorship.]
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her 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 .
Contracts	Any contract made between the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council — (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land and Property	Any beneficial interest in land which is within the area of the council. ‘Land’ excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (alone or jointly with another) a right to occupy or to receive income.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer.
Corporate tenancies	Any tenancy where (to the councillor’s knowledge)— (a) the landlord is the council; and (b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
Securities	Any beneficial interest in securities* of a body where— (a) that body (to the councillor’s knowledge) has a place of business or land in the area of the council; 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 of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

*'director' includes a member of the committee of management of an industrial and provident society.

*'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.

Table 2: Other Registerable Interests

Any Body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the council;	
Any Body—	(a) exercising functions of a public nature;
	(b) directed to charitable purposes; or
	(c) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)
of which you are a member or in a position of general control or management.	



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REPORT TO AUDIT AND GOVERNANCE COMMITTEE

Date of Meeting: 22 July 2020

Report of: Chief Executive & Growth Director

Title: Corporate Risk Register

Is this a Key Decision?

No

Is this an Executive or council function?

Risk management is a council function.

Risk Management is an important element of the council's Code of Corporate Governance. Regular monitoring of the council's corporate risks helps to ensure that the council's business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

1. What is the report about?

- 1.1 The report advises the committee of the council's risk management progress and presents the updated Corporate Risk Register (Appendix A).

2. Recommendations:

- 2.1 That the committee reviews Corporate Risk Register

3. Reasons for the recommendation:

- 3.1 To comply with the council's Risk Management Policy which states that this committee is responsible for monitoring and reviewing the Council's risks and reporting all new and updated risks to the Chief Executive and Growth Director.

4. What are the resource implications including non financial resources.

- 4.1 Directors and Senior Managers, as appropriate, are asked to update the Corporate Risk Register on a quarterly basis. The register is reviewed regularly by the Chief Executive and Growth Director, the Strategic Management Board and the Health and Safety Board. This process is currently facilitated by Internal Audit.

5. Section 151 Officer comments:

- 5.1 Members should note the additional risk and amended risk score. In light of the Covid-19 pandemic, it is projected that the savings required by the Council will be significantly higher than previously projected. This, in the section 151 Officer's view now constitutes a high risk. Further monitoring will take place throughout the year, to assess whether external conditions have improved and the risk will be reviewed if there is an improvement to the projections.

6. What are the legal aspects?

- 6.1 None identified.

7. Monitoring Officer's comments:

7.1 This report does not raise any issues of legality for the Monitoring Officer.

8. Report details:

8.1 The council has recently undertaken a full review of its Corporate Risk Register. There were two important reasons for doing this:

- The register contained a mixture of strategic and operational risks and Strategic Management and Audit and Governance were discussing risks which could be managed at a service level. This was not a good use of resources.
- The register had, historically, been designated a Part 2 item. Members of the Audit and Governance Committee asked for this to be reviewed and for the register to be reported and discussed under part 1 to ensure openness and transparency.

8.2 The Strategic Management Board have worked with the council's insurers, Zurich, to review the Corporate Risk Register

8.3 As a result of the review, the Strategic Management Board have identified those risks which, if they materialise, could have a significant impact on the city or the council. Each of these risks have been assigned ownership to a member of the Strategic Management Board to ensure strategic accountability and oversight.

8.4 The Corporate Risk Register as at 30.06.20 has been reviewed and updated by members of SMB as follows:

NEW RISK

Risk number 13 – Inability to manage and respond to COVID19 pandemic

Potential Causes:

Due to a loss of income from business rates, commercial rents and car parking charges, the Council is unable to put measures in place to manage and support its staff and stakeholders during and after the pandemic

Potential Impacts:

- Loss of staff due to illness
- Loss of income for the council
- Closure of Civic Centre
- Negative impact on economy for Exeter and wider region
- Unable to support Exeter Community Wellbeing
- Adverse impact on service delivery

UPDATED RISK

Risk number 12 – Maintaining the financial stability of the Council

The residual risk scoring has increased from 9 (Medium) to 12 (High) as a result of Covid-19. The current medium Term Financial Plan requires £5.8 million reductions to balance as a result of projections based on lower business rates receipts and increased costs.

The updated Corporate Risk Register for June 2020 can be viewed at Appendix A.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 This decision helps to ensure the delivery of the council's purpose 'Well Run Council'.

10. What risks are there and how can they be reduced?

10.1 Any risks should be captured in either this document or the operational risk register.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs;
- and foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because:

11.4.1 The report does not set policy.

12. Carbon Footprint (Environmental) Implications:

12.1 Not applicable

13. Are there any other options?

13.1 Not applicable.

Chief Executive and Growth Director

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

Contact for enquires: Democratic Services (Committees)01392 265275

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Corporate Risk Register

											Review Month:		June 2020	
Ref	Risk Title and Description	Date Risk Identified	Risk Owner	Inherent Risk			Existing Mitigations & Controls (What has been done to control the risk?)	Residual Risk			Further Mitigations & Controls to be put into place	Target Implementation Date	Notes	
				L'hood	Impact	Risk Score		L'hood	Impact	Risk Score				
1	<p>Failure to deliver anticipated benefits of major projects (St Sidwell's Point and Bus & Coach Station)</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Failure to procure appropriate operator for leisure centre - Adverse weather / other delays typical of such projects <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Increased costs to Council from project overspends or overruns - Not realising financial and cultural benefits anticipated from project delivery - Damage to Council's reputation and reduced credibility to deliver major projects in future 	October 2017	Jo Yelland - Director	3	3	9	<ul style="list-style-type: none"> - Recruited experienced Project Manager, Quantity Surveyor and delivery team - Established high level Programme Board to oversee progress and delivery - Contractor appointed to build the facility, following a 2 stage collaborative approach in procurement. - Fixed price Design & Build Contract, with a limited amount of Provisional Sums. 	2	3	6	<ul style="list-style-type: none"> - Ongoing reporting of progress and potential issues to Client lead. - Technical Assurance & Audit team being procured to monitor compliance with the Contract, review ongoing performance and positively challenge the build team to help promote the identification and resolution of potential issues / problems. 	Ongoing October 2020	<p>June 2020: Covid 19 has impacted on the developments. Work has continued throughout the lockdown but social distancing and supply chain issues have impacted on the critical path and are likely to have increased costs. Both projects will complete in 2021 but there may be an extension to the planned completion date</p>	
2	<p>Counter Terrorism and Community Cohesion & Safety</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Brexit and the continued political uncertainty and growing divides in the country has increased likelihood of radicalisation and violent extremism across the UK. Whilst the risk level in Devon and Exeter is traditionally low, like all other areas in the country our own local risk level has heightened particularly in relation of extreme right –wing activism. <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Community unrest and extreme anti-social behaviour incidents commence and escalate leading to public unrest 	June 2019	Jo Yelland - Director	3	4	12	<ul style="list-style-type: none"> - Active leadership within the Exeter Community Safety Partnership at Executive and Senior Manager level - Director participation in Counter Terrorism Briefings - SMB informal relationships with key Community Leaders 	2	4	8	Adoption of Safer Devon Prevent Toolkit and associated of staff training	Jun-20	<p>June 2020: There is no increase in risks from counter terrorism. COVID19 has seen an increase in low level ASB complaints and recent protests (e.g BLM) have seen an increase in public gatherings but locally these have been peaceful and well run. The Exeter Community Safety Partnership continues to work together on joined up and proactive responses.</p>	
3	<p>Delivery of Sport England Local Delivery Pilot Outcomes</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Not demonstrating year 1 outcomes (such as improving street scenes, increasing number of residents using cycling and walking routes, active school clubs etc.) - Not having appropriate programme management and focus on delivery - Council or main strategic partners restricted by existing policies (H&S etc.) or lack of appetite for certain outcomes - Not achieving alignment with key partners (Devon CC, Exeter City Future, CCG etc.) - Program delivery dependent upon key individuals (Jo, James, Karime) - Relative inexperience of Council of delivering such programs <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Significant reputational damage due to national and regional interest in success of program which could damage Exeter CC's status and credibility and undermine future grant / funding opportunities - Gap in health inequalities doesn't get addressed - leading to increased demands on council, and wider public sector, services. 	June 2019	Jo Yelland - Director	3	4	12	<ul style="list-style-type: none"> - A Commissioning Model has been adopted for programme delivery with local partners such as Active Devon leading on the implementation of key programmes which integrates into the local system and also promotes sustainability. - Annual outcomes clearly articulated within the programme plan. - Preparations made for 6 monthly assessments with Sport England including external evaluation partner secured to undertake bi-annual process evaluations. - Regular governance reviews to be undertaken to ensure continued engagement and buy-in from critical partners. - Communication strategy covering all stakeholders (especially local communities) being commissioned. 	3	3	9	<ul style="list-style-type: none"> - Pro-active 6 monthly assessments with Sport England - Review of governance and in particular strengthening the role of the Executive Group - Communication strategy covering all stakeholders (especially local communities) being developed 	Oct 2019 Oct 2019 Dec 2019	<p>June 2020: The Local Delveiry Pilot Team, with support from Sport England have been at the forefront of designing and delivering the Exeter Community Wellbeing Hub: the city wide community response to the pandemic. Insights and new community networks developed have been used to create a revised Transitional Programme for the next 6 -12 months and a further bid to Sport England to extend the core funding until 2025 has been submitted. The Governance of the LDP has been reviewed and will now sit under the Liveable Exeter Place Board to ensure integration and co-ordination within the place-shaping agenda</p>	
4	<p>Lack of proactive and preventative investment and maintenance of assets</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Historic budget savings led to under inspection of assets, increased inspections now identifying issues - Asset Maintenance resources removed as budget savings to prevent front line service cuts - Not following asset management best practice by cutting back on routine preventative maintenance and only dealing with the most urgent maintenance cases. <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Deterioration of assets to unsafe levels leading to closure - Under utilisation (lost income) of both car parks and sports centres - Increased costs in long run (potential need to demolish certain assets) rather than refurbish / redevelop - Current approach is not efficient value for money in long term - Reducing attractiveness of city centre to commerce and tourism 	June 2019	Dave Bartram - Director	4	3	12	#####	3	3	9	<ul style="list-style-type: none"> - Business case being drawn up to articulate challenges. - Development of Asset Management Strategy including funded asset program of inspection and divesting assets that aren't needed. 	Ongoing	<p>June 2020: Inspections of assets have been delayed by the Coronavirus outbreak. The higher risk assets identified so far were presented with a funding request to the 02 June Executive committee and will go to the 21 July Council for final approval. As lockdown restrictions ease, inspection work is restarting with a more comprehensive asset investment plan expected in August.</p>	

Corporate Risk Register

											Review Month:		June 2020	
Ref	Risk Title and Description	Date Risk Identified	Risk Owner	Inherent Risk			Existing Mitigations & Controls (What has been done to control the risk?)	Residual Risk			Further Mitigations & Controls to be put into place	Target Implementation Date	Notes	
				L'hood	Impact	Risk Score		L'hood	Impact	Risk Score				
5	<p>Information Governance failure (including Council experiencing a cyber attack)</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Lack of appropriate policies and processes - Staff awareness and understanding of requirements and best practice for managing data effectively - Inadequate cyber defences <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Disruption to IT systems could result in inability to deliver key services - Sensitive personal, corporate or financial information could be accessed/released unlawfully - Council may not be permitted to access the PSN secure connection - Non-compliance with the General Data Protection Act (GDPR) potentially leading to significant fines 	April 2017	Karime Hassan - Chief Executive	3	4	12	<ul style="list-style-type: none"> - Information Security Policy and Information Security Forum in place - Training for existing staff complete and schedule for new staff in place - Disaster recovery and business continuity policies in place - Regular staff reminders on this issue - Comprehensive IT service from STRATA (company owned by three local authorities) including range of mitigations (firewalls, penetration testing, email and web filtering, anti virus software etc.) - Regular, timely software updating to mitigate new vulnerabilities. 	2	3	6	<ul style="list-style-type: none"> - Consider lessons learnt from Council incidents - Review compliance with automated updates - Review use of third party data storage and security arrangements. - Consider optimal frequency and method for providing assurance to SMB (potential inclusion of monthly STRATA report) - Reconvene Information Governance Group to maintain corporate oversight of information governance issues. 	Ongoing Ongoing Ongoing October 2020 October 2020	<p>June 2020: Staff reminded of their Information Governance responsibilities and guidance on how to keep information secure when working from home has been published on the intranet.</p> <p>Work still progressing on providing assurance to SMB.</p>	
6	<p>Insufficient business continuity arrangements to recover critical services effectively</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Critical services not identified - Insufficient plans in place to recover critical services - Lack of testing of plans to ensure arrangements suitable <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Essential services not recovered in timely fashion - Adverse media and public criticism leading to lack of trust in council - Non compliance with Civil Contingency Plan 	April 2013	Karime Hassan - Chief Executive	3	4	12	<ul style="list-style-type: none"> - List of critical services agreed with SMB - Corporate Business Continuity Plan approved by SMB which sets out roles and responses to certain events (loss of building, loss of ICT etc.) - IT Disaster Recovery Plan in place - Business Continuity plans developed for all L10Critical services - Business Continuity Test Exercise to be carried out 	2	3	6	<ul style="list-style-type: none"> - Regularly review business continuity plans to ensure they are fit for purpose - Internal Audit to undertake review of Business Continuity Management 	Ongoing Sept 2020	<p>June 2020: All services have produced business continuity plans and these are reviewed regularly by the Strategic Management Board as part of the Council's response to the COVID-19 emergency.</p> <p>Test exercise planned for June was negated due to occurrence of emergency event.</p>	
7	<p>Lack of leadership capacity to effectively deliver additional Council objectives and priorities</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Significant draw on management resources following unanticipated new commitments or changes in political expectations - Medium Term Financial Plan will be under strain because of national decisions on New Homes Bonus and re-setting business rates <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Higher likelihood of potential governance and performance failures due to stretched resources - Limited capacity for leading and delivering change activity impacting upon achievement of councils strategic priorities - Staff morale and burnout if over prolonged period 	June 2019	Karime Hassan - Chief Executive	4	4	16	<ul style="list-style-type: none"> - Experienced and resilient senior management team - Sufficient resourcing in place to deliver existing commitments and corporate plan. - Organisational culture with values set up to deliver - Succession planning / effective deputies - Strong record of bringing in funding to support new initiatives / agenda and additional agenda. - Director appointed for Liveable Exeter housing programme - Place Board give visibility to broader programme and access to national funding routes 	3	4	12	<ul style="list-style-type: none"> - Support development of political discipline regarding understanding of challenges when embarking on new initiatives and recognition of resourcing levels within the Council. - Encourage more robust peer challenge amongst Members - Review method of celebrating achievements of council - Consider leadership development of tier 3/4 managers to develop strategic capability 	TBC	No further update this quarter.	
8	<p>Inability to deliver carbon neutral aspirations for Exeter by 2030</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Financial pressure and economics of carbon reduction - Behavioural challenges over influencing businesses and public - Technical capability to deliver - Lack of control over all stakeholders (businesses, visitors etc.) - Political environment and acceptance of policy changes required - Misalignment with Devon Climate Plan - Failure to engage with resident and business of Exeter to ensure solutions proposed meet real need <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Reputational - Failure to deliver inclusive growth and retain vibrancy of Exeter as a great place to live - Conflict within Region - Short term changes may not be sustainable 	08.11.19	Karime Hassan - Chief Executive	4	3	12	<ul style="list-style-type: none"> - Strategic partnerships - Appointment of programme director for Exeter City Futures to form collaborative city governance focussed on carbon neutral - 12 Goals defined for the city to provide framework for carbon neutral. Goals reflect priorities of business and residents - Plans in place to develop roadmap for carbon neutral 2030 - Other major public sector organisations have already committed to becoming carbon neutral (e.g. University of Exeter, Devon County Council) 	3	3	9	<ul style="list-style-type: none"> - Continue to invest in supporting ECF as a partner organisation to ensure that the ambition to be net-zero is continually communicated and residents and businesses are engaged; ensuring all voices are heard and the solution being developed are benefitting the residents and business. - Improve national communication positioning Exeter as a leading sustainable City highlighting what we are doing - through ECF and Livable Exeter activities - Ensure clear alignment with DERG and national climate action plans to ensure Exeter's plan is incorporated 	Apr-20	No further update this quarter.	

Corporate Risk Register

Review Month:											June 2020		
Ref	Risk Title and Description	Date Risk Identified	Risk Owner	Inherent Risk			Existing Mitigations & Controls (What has been done to control the risk?)	Residual Risk			Further Mitigations & Controls to be put into place	Target Implementation Date	Notes
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9	<p>Failure to meet Exeter's Housing supply needs as a planning authority and meet strategic 5 years ambitions</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Inadequate Land supply - Not granted enough planning permissions - Student development cannot be included in housing supply figures - House builders drip feeding - Political / community buy in to developments - GESP and/or Exeter Development Delivery DPD not progressing as quickly as possible. Political changes at neighboring boroughs leaving an unclear position <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Financial risks with increased appeals, and potentially lost income - Social outcomes - inequality, rising social service costs - significant waiting list - Reputational impact if development on not appropriate location - Risk of losing planning appeals on sites where there are objections in principle. - Vulnerable to developers - not able to protect areas that are identified as residents priorities 	June 2013	Bindu Arjoon - Director	4	3	12	<ul style="list-style-type: none"> - Brownfield opportunities identified and developed into the Liveable Exeter strategy. - Higher density developments being encouraged within the city centre. - Social Housing being developed following the lifting of borrowing cap- ambition for 500 homes over 10 years' - Appropriately briefing members to ensure robust decision making processes 	3	2	6	<ul style="list-style-type: none"> - Greater Exeter Strategic Plan being developed. Subject to approval by the relevant Committees of the four Greater Exeter local authorities, the GESP will be publically consulted on during September-November 2020. Further rounds of consultation will follow. Adoption of the GESP is currently timetabled for 2023. - Local plan for Exeter CC also being developed as plan B. Scoping underway. - Selling positive image of high quality high density brownfield developments - continuing consultations. Future Place commission has developed an urban design toolkit to support higher density developments. 	Ongoing	<p>June 2020: Staff resources are being sought for both GESP and the Local Plan to allow both to progress and work on the evidence base to support the Exeter Local Plan is also being sought. Formation of a Local Plan team will also allow for other statutory duties to be undertaken such as annual monitoring of the housing land supply as if the land supply falls below 5 years decisions need to be taken based on national policy only leaving the Council with less control. A proactive approach to housing delivery is being taken through the Liveable Exeter programme and Exeter City Living.</p>
10	<p>Failure to adapt council workforce to ensure appropriate skills and experience</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Ageing workforce (half of staff over 50, considerable enough) - Difficulty to recruit into key areas - professional areas (planners, lawyers) - Empowerment, skills and engagement of managers to enable this change <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Loss of experience - Increased spending on agency workers - Not having cost effective council services delivering the right outcomes - Service disruption - Cost of appeals / challenges across the council services - Increased stress / pressure on workforce 	June 2019	Baan Al-Khafaji	3	3	9	<ul style="list-style-type: none"> - Market supplement scheme in place - Apprenticeship opportunities for new and existing staff - Employing part qualified staff and training them (internal and external) - procurement, planning etc. - Improvements in metric tracking (age, gender, skills profiles) - Business Partnering model allowing for greater collaboration between service areas and HR. 	2	3	6	<ul style="list-style-type: none"> - Effective use of metrics utilising new system (within 12 months) - Ensure robust implementation of new workforce planning process (local mgmt team led) - Utilising agile program to compliment modernisation of work environment - Review of progress against GDR. 	TBC	No further update this quarter.
11	<p>Maintaining the Financial Sustainability of the Council</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Fair funding review from central government involving rebaselining of business rates (income loss of £1.8m per annum) and determination of a new formula which could have funding implications. - Inability to deliver £2.4m savings target over two year period - Move to 75% business rate retention rather than government grant increases volatility of income and dependence upon growing local economy and business rates. - Inability to grow Exeter city centre and associated business rates etc. - Policy, regulatory or legislative changes which are not fully funded from central govt. - Failure to realise commercial ambitions of council <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - unable to balance budget - reduced income for council services - larger than anticipated cuts (in year or over longer term) - reduction in reserves - impacts on council services and therefore resident outcomes 	January 2018	Dave Hodgson - Chief Finance Officer	4	4	16	<ul style="list-style-type: none"> - Detailed MTFP assessed and agreed with Members - 5 point savings plan agreed and being implemented with suitable governance arrangements in place. - Budget report in new year and recommendations to members briefing in December 2019. - Significant investment in city centre regeneration (st sidwell's point & bus station) including developing a new vision for the rest of the site which includes mixed use - New Business Development manager appointed to identify and grow commercial opportunities - Strong level of unringfenced general fund reserves to protect against shocks 	3	4	12	<ul style="list-style-type: none"> - Continue to respond to consultations making case for council - Lobby government for relaxation of council tax increase restrictions - Further development of role and scope of business development manager position 	Dec-20	<p>June 2020: The level of risk has increased as a result of Covid-19. The current medium Term Financial Plan requires £5.8 million reductions to balance as a result of projections based on lower business rates receipts and increased costs.</p>

Corporate Risk Register

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12	<p>Inability to deliver carbon neutral operations for Exeter City Council by 2022</p> <p>The Council have committed to make their own operations carbon neutral ahead of 2030 in order to lead the City by example. There is a risk that this is not achieved.</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Failure to establish a clear target and trajectory to reduce carbon impact from Council operations - Failure to communicate and engage with staff at all levels to understand the changes required and to identify solutions - Inability to establish baseline and indicators that can measure progress - Unclear ownership of cross-directorship activity and failure to identify/deliver efficient action - Conflicts between carbon reduction and other strategic priorities e.g. cost savings - Failure to balance need for immediate practical action with need for analysis of baseline - Failure to understand the scale of resources (human and financial) required to deliver change - Financial pressures mean resources are not available <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Reputational - Carbon reduction targets will become harder as we approach 2030 which mean the financial investment will increase - Central government may mandate changes that are costly to implement and dont meet local needs 	08.11.19	Karime Hassan - Chief Executive	4	3	12	<p>Full Council have agreed to make operations of Exeter City Council carbon neutral</p> <p>Corporate Energy team has already delivered impactful projects linked to energy reduction and renewal energy generation.</p> <p>Passive Haus projects demonstrating commitment to energy efficient council housing stock.</p>	2	3	6	<p>- Develop cross-directorship sustainability plan that includes: 1.energy (reduction and generation); 2. mobility (Council fleet and staff travel); 3.Sustianability (air quality, biodiversity, resource management); 4. capability (skills, data, operational processes)</p> <p>- Appointment of Director/Senior Officer to assess cross-directorship sustainability performance and identify areas for improvement as well as tracking and reporting progress on carbon performance</p> <p>- Undertake full review of internal policies and processes that are in conflict with carbon neutral aspirations and highlight opportunities for change</p> <p>- Improve communications of Council activities to make own operations carbon neutral and showcase as exemplar to other organisations</p>	Apr-20	No further update this quarter.
13	<p>Inability to manage and respond to COVID-19 pandemic</p> <p><u>Potential Causes:</u></p> <p>Due to a loss of income from business rates, commercial rents and car parking charges, the council is unable to put measures in place to manage and support its staff and stakeholders during and after the pandemic</p> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - - Loss of staff due to illness - Loss of income for the council - Closure of Civic Centre - Negative impact on economy for Exeter and wider region - Unable to support Exeter Community Wellbeing - Adverse impact on service delivery 	March 2020	CX	4	4	16	<ul style="list-style-type: none"> - All office based staff are working agile and flexibly and can work from home - All services have business continuity plans in place which are reviewed regularly - Sickness levels regularly reviewed - Regular SMB meetings to review and manage the council's response - Exeter Wellbeing Hub established - Wellbeing guidance for staff and managers published on intranet - Further digitalisation of services - Exeter Recovery Plan has been prepared - Emergency budget has been prepared 	4	3	12	<ul style="list-style-type: none"> -Finalise and approve the Exeter Recovery Plan -Work with partners to deliver the Exeter Recovery Plan -Executive to agree the Emergency Budget -Continue to communicate with staff and provide additional wellbeing support as needed 	TBC Ongoing July 20 Ongoing	New Risk.