



Public Document Pack

North Devon Council
Brynsworthy Environment Centre
Barnstaple
North Devon EX31 3NP

K. Miles
Chief Executive.

GOVERNANCE COMMITTEE

A meeting of the Governance Committee will be held in the Barum Room - Brynsworthy on **TUESDAY, 3RD SEPTEMBER, 2019 at 6.00 pm.**

(NOTE: A location plan for the Brynsworthy Environment Centre is attached to the agenda front pages. There are limited car parking spaces in the Visitors parking area. If no spaces are available, please find an alternative space. Please ensure that you enter your name and car registration details in the book in front of the entrance door)

Members of the Governance Committee Councillor Roome (Chairman)

Councillors Phillips, Bushell, Campbell, Henderson, Jenkins, Saxby, Topps and Walker.

AGENDA

1. Apologies for absence
2. To approve as a correct record the minutes of the meeting held on 22nd July 2019. (Pages 7 - 12)
3. Items brought forward which in the opinion of the Chairman should be considered by the meeting as a matter of urgency.
4. Declarations of Interests.
(Please complete the form provided at the meeting or telephone Corporate and Community Services to prepare a form for your signature before the meeting. Interests must be re-declared when the item is called, and Councillors must leave the room if necessary.)
5. To agree the agenda between Part 'A' and Part 'B' (Confidential Restricted Information).

PART A

6. **Half Yearly Report from the Chair of the Governance Committee** (Pages 13 - 16)
Report by the Committee Chair.
7. **Policy for Preventing and Controlling Violence, Aggression and Other**

Unreasonable Customer Behaviour (Pages 17 - 54)
Report by the Head of Environmental Health and Housing.

8. **Internal Audit Annual Report** (Pages 55 - 68)
Report by MAZARS Public Sector Internal Audit Limited.
9. **Internal Audit Charter** (Pages 69 - 78)
Report by MAZARS Public Sector Internal Audit Limited.
10. **Internal Audit Progress Report** (Pages 79 - 86)
Report by MAZARS Public Sector Internal Audit Limited.
11. **External Audit Annual Audit Letter** (Pages 87 - 102)
Report by Grant Thornton
12. **External Audit Progress Report and Sector Update** (Pages 103 - 108)
Report by Grant Thornton.
13. **Audit Recommendation Tracker** (Pages 109 - 114)
Report by the Chief Executive.
14. **Work Programme 2019-2020** (Pages 115 - 116)
To consider the work programme.
15. **Exclusion of Public and Press and Restriction of Documents**
RECOMMENDED:
 - (a) That, under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item as it involves the likely disclosure of exempt information as defined by Paragraph 2 of Part 1 of the Schedule 12A of the Act (as amended from time to time), namely information which is likely to reveal the identity of an individual, and Paragraph 3 of Part 1 of the Schedule 12A of the Act, namely information relating to the financial or business affairs of any particular person (including the authority holding that information).
 - (b) That all documents and reports relating to the item be confirmed as “Not for Publication”.

PART B (CONFIDENTIAL RESTRICTED INFORMATION)

16. **Corporate Risk Register** (Pages 117 - 156)
Report by the Chief Executive.

17. **Flexible Retirement Request** (Pages 157 - 160)

Report by the Human Resources Manager.

18. **Request for Early Release of Pension on Compassionate Grounds** (Pages 161 - 164)

Report by the Human Resources Manager.

If you have any enquiries about this agenda, please contact Corporate and Community Services, telephone 01271 388253

26.08.19



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The rules that the Council will apply are:

1. The recording must be overt (clearly visible to anyone at the meeting) and must not disrupt proceedings. The Council will put signs up at any meeting where we know recording is taking place.
2. The Chairman of the meeting has absolute discretion to stop or suspend recording if, in their opinion, continuing to do so would prejudice proceedings at the meeting or if the person recording is in breach of these rules.
3. We will ask for recording to stop if the meeting goes into 'part B' where the public is excluded for confidentiality reasons. In such a case, the person filming should leave the room ensuring all recording equipment is switched off.
4. Any member of the public has the right not to be recorded. We ensure that agendas for, and signage at, Council meetings make it clear that recording can take place – anyone not wishing to be recorded must advise the Chairman at the earliest opportunity.
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For more information contact the Corporate and Community Services team on **01271 388253** or email **memberservices@northdevon.gov.uk** or the Communications Team on **01271 388278**, email **communications@northdevon.gov.uk**.

North Devon Council offices at Brynsworth, the full address is:
Brynsworth Environment Centre (BEC), Roundswell,
Barnstaple, Devon, EX31 3NP.

Sat Nav postcode is EX31 3NS.

At the Roundswell roundabout take the exit onto the B3232, after about ½ mile take the first right, BEC is about ½ a mile on the right.

Drive into the site, visitors parking is in front of the main building on the left hand side.

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NORTH DEVON COUNCIL

Minutes of a meeting of Governance Committee held at Barum Room - Brynsworthy on Monday, 22nd July, 2019 at 6.00 pm

PRESENT: Members:

Councillor Phillips (Vice Chairman)

Councillors Henderson, Saxby, Topps and Walker.

Officers:

Chief Executive, Head of Resources and Head of Operational Services

Also Present:

M. Bartlett – Grant Thornton

10. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Bushell, Campbell and Roome.

11. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 11TH JUNE 2019.

RESOLVED that the minutes of the meeting held on 11th June 2019 (circulated previously) be approved as a correct record and signed by the Chairman.

12. DECLARATIONS OF INTERESTS.

There were no declarations of interest announced.

13. COMPENSATION PAYMENTS MADE UNDER DELEGATED POWERS

The Committee considered a report by the Customer and Corporate Services Manager regarding the Compensation Payments Made under Delegated Powers (circulated previously).

An amended version of Appendix A was tabled at the meeting showing the corrected figure for the total of payments made.

The Chief Executive advised the Committee that compensation payments were only made on rare occasions. The ten payments listed on the report covered a period of six months. The Head of Operational Services was present at this Committee as the majority of payments were made in relation to the Waste and Recycling service.

The Committee noted that the compensation payments made were low in relation to the number of collections. They wished to congratulate the staff on their hard work.

RESOLVED that the Compensation Payments Made under Delegated Powers be noted.

14. EXTERNAL AUDIT FINDINGS REPORT

The Committee considered Grant Thornton's External Audit Findings Report (circulated previously).

The External Auditor (MB) explained:

- The original report submitted and included on the agenda had been a draft version. The final version (dated 19th July 2019) had been submitted subsequently.
- The report gave a positive message on the Authority's work.
- The Devon Pension Fund Assurance letter had been received today.
- Works on Property, Plant and Equipment, and the McCloud judgement were close to completion.
- The approach to materiality figure was £1.153m.

In relation to the "Significant Findings – Audit Risks" section of his report, the External Auditor confirmed that:

- Having considered the risk factors set out in ISA240, they were happy that the risk was low and good controls were in place.
- No issues had been identified in relation to "Management Override of Controls". The Auditors had examined the judgements made.
- "Valuation of Land and Buildings" was currently in progress. No issues were anticipated.
- "Valuation of Pension Fund Net Liability" was nearing completion and would be reviewed soon.
- "Potential Impact of the McCloud Judgement": The Government had applied to the Supreme Court for permission to appeal this ruling but permission to appeal had been unsuccessful. The implications of this were still under discussion. Legal ruling around age discrimination could have implications for pension funds and schemes where transitional arrangements on changing benefits had been implemented. Discussion was ongoing. It was acknowledged that there were uncertainties in relation to the estimation of the impact on the Council's liability. Therefore an unadjusted misstatement had been included within appendix C of the report.

- Cut-off testing had identified an invoice of £0.006m which related to 2018/19 which had not been accrued. A further case had been identified in the sample checked.

The External Auditor (MB) explained:

- In relation to the Value for Money (VFM) work, the External Auditors had identified Financial Sustainability as a significant risk. The Council's Medium Term Financial Strategy (MTFS) had shown a cumulative budget gap of £0.666m by 2022/23. Grant Thornton had concluded that this risk was significantly mitigated and potential schemes to bridge the shortfall had been identified.
- There had been no issues with the 'other Communications requirements' as the team at the Council were very quick to provide any information requested by the Auditors.
- Previous recommendations for increased reporting arrangements to Members regarding the 21:21 project could be further improved. Updates on individual projects had been made within the Quarterly Performance and Financial Management Reports but this did not formally report on the programme as a whole.
- An adjustment had been identified which concerned the audit fee disclosure note for the Housing Benefit certification for 2017/18. The note should have included the fee for 2018/19 of £21k. It was the view of the management that to include the fee would have had the effect of overstating the audit costs of the work, and, as the work would not be performed until the autumn of 2019, it had not been included. This would not be adjusted.
- There had been an error identified on the calculation of a prepayment (of £2,670) which, if extrapolated, the extent of the error could be deemed to be £437,888. As the original error was not material no adjustment would be required.
- The total Audit Fees had increased to £40,999 as this had now included an additional fee which had been incurred due to additional works on the assessment of the impact of the McCloud ruling, the Pensions IAS 19, and the PPE valuations work.

The Head of Resources confirmed that the Members would be presented with a full disclosure note within the accounts on the McCloud ruling at Full Council on 24th July 2019. Detailed notes explaining its impact and the decision not to adjust the figures due to their non-materiality would be provided.

RESOLVED that the External Audit Findings Report be noted.

15. LETTER OF REPRESENTATION

The Committee considered the Letter of Representation presented by the Head of Resources (circulated previously).

The Head of Resources explained that the Letter of Representation outlined the governance arrangements in place and the Authority's responsibilities on the

financial statements presented. The Letter was presented to the Committee today, in advance of the Full Council meeting on 24th July 2019. The Letter was required as part of the final process for the approval of the Statement of Accounts for 2018/19. He noted that the details of the 'unadjusted misstatements' (as covered in the earlier agenda item) was covered in point 'x' of the letter.

RECOMMENDED that the Letter of Representation be approved by Full Council.

16. AUDIT RECOMMENDATION TRACKER

The Committee considered the Audit Recommendation Tracker report by the Head of Corporate and Community in respect of actions taken to address internal and external audit recommendations (circulated previously).

The Committee noted the following updates:

- Table A detailed the 21 live recommendations.
- Table B detailed the 5 recommendations completed since the last meeting of the Committee.
- Table C detailed 7 recommendations for which time extensions were being requested and 1 recommendation for action to be deleted.
- Table D showed no outstanding recommendations (as any outstanding recommendations now had requested for date extensions from the relevant officers).
- Table E Annual Governance Statement could not be completed until all other recommendations were completed.

RESOLVED;

- (a) that the actions completed since the 11th June 2019 Committee meeting be noted;
- (b) that time extension be granted for those recommendations as listed in table C;
- (c) that the Audit Recommendation Tracker be noted.

17. WORK PROGRAMME 2019-2020

The Committee considered the work programme for 2019/20 (circulated previously).

The Head of Resources advised that the Letter of Representation was due for consideration annually so would not be presented again in January 2020 as per the work programme.

RESOLVED;

- (a) that the entry for the Letter of Representation for January 2020 be removed.
- (b) that the Audit Recommendation Tracker be noted.

Chairman

The meeting ended at 6.42 pm

NOTE: These minutes will be confirmed as a correct record at the next meeting of the Committee.

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North Devon Council Governance Committee

Date: September 2019

Half Yearly Report of the Chair of Governance Committee

Since the election in May 2019 a new committee structure of the Council was introduced. The remit of the old Audit, Personnel and Ethics Committees are now combined into the Governance Committee.

The Audit Committee resolved in May 2014 that the Chair (of the now Governance Committee) would report half yearly to Council in March and September to highlight key issues that have arisen in the previous period.

The last report was presented in March 2019. Since then the Committee had met on 11th June 2019 and 22nd July 2019.

North Devon Council Agenda Items

Compensation Payments Made Under Delegated Powers

The Chief Executive advised the Committee that compensation payments were only made on rare occasions. The ten payments listed on the report covered a period of six months. The majority of payments were made in relation to the Waste and Recycling service. The Committee noted that the compensation payments made were low in relation to the number of collections.

External and Internal Audit

The Internal Audit Progress Report 2018/19, the External Audit Fee Letter 2019/20, and the External Audit Progress Report and Sector Update were presented at the June meeting. The External Audit Findings Report and the Letter of Representation were presented in July.

The Committee was advised of the following in relation to the Internal Audit Progress Report 2018/19:

- 88% of the plan had now been completed.
- One final report in relation to Main Accounting System and Budgetary Control had been issued, with a substantial assurance rating together with one priority three recommendation in relation to "Procedures should denote the last review date and next date it was due for review to confirm, it was still fit for purpose".

The External Auditor outlined the details of the fee letter, the basis for the fee to be charged together with the audit timetable. He advised that the scope of the fee was the same as the prior year and the proposed timetable for 2019/20 was included.

The External Auditor advised the External Audit Progress Report and Sector Update report was the regular progress report, which outlined the progress at 30th May 2019. The report reviewed the financial

statements, value for money and other areas within the Council. It had been agreed that the initial risk assessment findings be presented at the meeting in July 2019.

The Annual Governance Statement 2018/19

The Head of Corporate and Community Services outlined the key elements of the Council's Governance Framework. He explained how the Council had complied with the Framework in relation to the key arrangements that were in place to meet the core principles.

He highlighted various points for the Committee which included that:

- The 2017/18 Annual Audit Letter (received August 2018) provided an unqualified opinion on the accounts.
- During the year Internal Audit had undertaken 17 audits.
- The Local Government Ombudsman (LGO) report indicated that 23 complaints had been received for the year. This was consistent with the levels over the prior five year period.
- One significant issue in relation to business continuity had been identified and had been outstanding for some time. Other issues related to the development of an action plan to implement recommendations from the Investors in People report and the Peer Review together with the development of a savings plan to plan for budget reductions.

Statement of Accounts 2018/19

The June meeting dealt with the Statement of Accounts 2018/19.

The Committee were advised that:

- The Council originally budgeted to spend £12.220m in 2018-19. As at 31 December 2018, the Council was forecasting a net deficit of £0.019m against the budget.
- The last quarter of the financial year had seen some favourable variances since the last reported position; additional income through the one-off pilot year for 100% Business Rate Retention scheme and additional savings achieved throughout our staffing budgets.
- Following a contribution to the Collection Fund reserve of £0.236m in 2018/19, a residual surplus of £0.518m would remain in the 2019/20 year.
- The general fund reserve balance at 31st March 2019 was £1.161m, which was a level of 9.5% of the Council's net revenue budget.

External Audit Findings Report

The July meeting dealt with the External Audit Findings Report.

The Committee were advised that:

- The original report submitted and included on the agenda had been a draft version. The final version (dated 19th July 2019) had been submitted subsequently.
- The report gave a positive message on the Authority's work.
- Having considered the risk factors set out in ISA240, they were happy that the risk was low and good controls were in place.

- In relation to the Value for Money (VFM) work, the External Auditors had identified Financial Sustainability as a significant risk. The Council's Medium Term Financial Strategy (MTFS) had shown a cumulative budget gap of £0.666m by 2022/23. Grant Thornton had concluded that this risk was significantly mitigated and potential schemes to bridge the shortfall had been identified.

Audit Recommendation Tracker

The Committee was advised in June that:

- There were no resource issues with regards to the requested extension times
- The target dates that were set by the Heads of Service should be realistic and achievable in an effort to avoid the requirement for extension dates.
- The disaster recovery recommendation was a continuous process and a significant amount of work had already been undertaken.

The Committee was advised in July that:

- There were no resource issues with regards to the requested extension times

The Letter of Representation

The Head of Resources explained that the Letter of Representation outlined the governance in place and the Authority's responsibilities on the financial statements provided. The Letter was presented to the Governance Committee on 22nd July 2019 in advance of the Full Council meeting on 24th July 2019. The Letter would be required as part of the final process on the Statement of Accounts.

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NORTH DEVON COUNCIL

Open

REPORT TO: GOVERNANCE COMMITTEE
Date: 3rd September, 2019
TOPIC: POLICY FOR PREVENTING AND CONTROLLING VIOLENCE, AGGRESSION AND OTHER UNREASONABLE CUSTOMER BEHAVIOUR
REPORT BY: JEREMY MANN; HEAD OF ENVIRONMENTAL HEALTH & HOUSING SERVICE

1. INTRODUCTION

1.1 A new policy has been developed to prevent and control any customer behaviour which could impact on the safety and wellbeing of the Council's officers. The proposed policy, set out in Appendix 1, has been widely consulted on and has the support of the North Devon Local Government Branch of UNISON.

2. RECOMMENDATIONS

2.1 Members note the report.

3. REASONS FOR RECOMMENDATIONS

3.1 To adopt a pro-active stance to ensuring the safety and wellbeing of the Council's employees.

4. REPORT

4.1 A new policy has been drafted for preventing and controlling violence, aggression and other unreasonable customer behaviour. The Council wants to take control of potentially challenging situations before any incidents have happened or reduce the likelihood of problems reoccurring.

4.2 Since April 2019, 11 incidents have been reported by staff. A Staff Security Audit, undertaken in 2017, also directed the Council to review its current arrangements.

5. RESOURCE IMPLICATIONS

5.1 This policy will not be an additional cost pressure on the Council.

6. EQUALITIES ASSESSMENT

6.1 Implementing this policy will have a positive impact for the Council's employees. For customers who have acted improperly this policy may result in sanctions being levied against them. As part of the procedure officers will determine if there are any other equality issues that should be considered before taking action.

7. CONSTITUTIONAL CONTEXT

Article or Appendix and paragraph	Referred or delegated power?
Part 3, Annexe 1, para 5	Delegated

8. STATEMENT OF CONFIDENTIALITY

8.1 This report contains no confidential information or exempt information under the provisions of Schedule 12A of the 1972 Act.

9. BACKGROUND PAPERS

9.1 The following background papers were used in the preparation of this report:

- NDC Staff Security Audit 2017

The background papers are available for inspection and kept by the author of the report.

10. STATEMENT OF INTERNAL ADVICE

10.1 The author (below) confirms that advice has been taken from all appropriate Councillors and Officers.

Author: Jeremy Mann; Head of Environmental Health & Housing
Date: 15th August 2019
Reference: Governance Committee VA 3rd September 2019

APPENDIX 1

**POLICY FOR PREVENTING AND CONTROLLING
VIOLENCE, AGGRESSION AND OTHER UNREASONABLE
CUSTOMER BEHAVIOUR**

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**POLICY FOR PREVENTING AND
CONTROLLING VIOLENCE, AGGRESSION
AND OTHER UNREASONABLE
CUSTOMER BEHAVIOUR**

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5. VIOLENCE AND AGGRESSION RISK MANAGEMENT
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6. INCIDENT REPORTING
7. COMMUNICATION
8. SANCTIONS MANAGEMENT
9. VIOLENCE AND AGGRESSION IMPLEMENTATION RESOURCES

The Escalation Process:

Stage 1: Verbal Warning

 - Delivering a Verbal Warning
 - Where a Verbal Warning would be inappropriate

Stage 2: Written Warning Letter and/or Acceptable Behavioural Agreement

 - Developing a Warning Letter
 - Developing an Acceptable Behavioural Agreement

- Monitoring an Acceptable Behavioural Agreement

Stage 3: Written Final Warning

Stage 4: Strategy Meeting

10. PROCEDURE FOR DEALING WITH UNACCEPTABLE CUSTOMER BEHAVIOUR

11. TRAINING

11.1 Conflict Resolution Training

11.2 Higher Risk Groups

11.3 Trauma Risk Management

12. MONITORING COMPLIANCE WITH AND THE EFFECTIVENESS OF THE POLICY

11.1 Standards/Key Performance Indicators

APPENDICES

APPENDIX A EXAMPLES OF INCIDENTS & REPORTING, INCLUDING ABUSIVE TELEPHONE CALLS

APPENDIX B CHALLENGING BEHAVIOUR – CUSTOMER RISK ASSESSMENT

APPENDIX C VIOLENCE AND AGGRESSIVE WARNING ALERT PROCEDURE

APPENDIX D MODEL SIGN FOR NDC FRONT OF HOUSE RECEPTION AREAS

1. INTRODUCTION

- 1.1 North Devon Council aims to offer excellent customer care and will provide its employees with the skills and knowledge to respond efficiently to the needs of our customers.
- 1.2 This policy provides a framework to ensure a consistent approach across the organisation, in line with our statutory duties, where the wellbeing of our employees is at risk, or has been compromised by the likely or actual behaviour of a customer.
- 1.3 Notwithstanding the Council's objective of interacting with customers in order to answer questions, resolve issues and nurture positive relationships, NDC employees have the right to work in a healthy and safe working environment, free from harassment, bullying, violence and unreasonable customer behaviour. This sentiment is reinforced in the Council's Dignity at Work Policy.
- 1.4 This policy will encourage staff to report incidents by providing improved clarity around the situations that trigger reporting, the need to escalate proportionate warning if required and demonstrate support to adopt a . Zero Tolerance approach across the council. The policy then aims to reduce the number of workplace violence and aggression incidents over time through a corporate performance management system.
- 1.5 This policy also seeks to protect staff from unreasonable or persistent behaviours, which unreasonably affect our staff, our business and how we deliver our services to other customers. Including those who make constant requests for complex information without apparent good reason, or they may act in a manner that causes annoyance without the intention of resolving their query.
- 1.6 The policy makes separate provision for customers who are unable to fully control their actions albeit the safety of employees comes first.
- 1.7 North Devon Council employees come to work to assist others in the community. It is important for all members of the public and employees to be treated with courtesy and respect.
- 1.8 Aggression, violent or other unreasonable behaviour towards Council employees or any member of the public within our premises, **will not be tolerated under any circumstances**. This document establishes a Zero Tolerance Policy.
- 1.9 Under the Health and Safety at work act 1974 It is an employer's duty to protect the health, safety and welfare of their employees and other people who might be affected by their business, this policy ensures compliance with this duty.

2. PURPOSE

- 2.1 The purpose of this policy is to ensure that staff working for the Council are provided with an environment that is safe and secure and that minimises the risk of violence, aggression and stress, in line with health and safety legislation.
- 2.2 This policy will also raise awareness of behaviours that are unacceptable and of the solutions available in the face of such behaviours.
- 2.3 The Council's commitment to the prevention and management of unacceptable behaviour is outlined below:
 - 2.3.1 Recognises that the prevention and management of challenging behaviour in a local Government setting, and service users' homes and businesses is a complex issue.
 - 2.3.2 Verbal abuse and physical violence may be symptoms of an underlying mental health problem, illness or adverse reaction to medication. However employees should not accept such behaviour as inevitable.
 - 2.3.3 Recognises that the level of risk varies in different areas of the organisation and for particular groups of employees (*e.g. lone workers, front line posts at night*).
 - 2.3.4 Will provide all frontline employees with conflict resolution training.
 - 2.3.5 Will provide personal safety electronic devices or Apps for employees in roles at relatively high risk of verbal and/or physical aggression.
 - 2.3.6 Recognises that everyone needs to be aware of how their personal behaviour might be perceived by others.
 - 2.3.7 Fully supports employees and will press charges when it is legally permissible and appropriate to do so against the perpetrator of any violent or aggressive attack upon employees. This may be using criminal or civil procedures.

3. DEFINITIONS

- 3.1 Physical Assault:
 - 3.1.1 Physical assault is defined as: “.. *the intentional application of force to the person of another, without lawful justification, resulting in physical injury or personal discomfort.*”

3.2 Non Physical Assault:

3.2.1 Non physical assault is defined as: “.. *the use of inappropriate words or behaviour causing distress and/or constituting harassment and/or stress.*”

3.2.2 Examples of violence and aggression, including harassment, unacceptable behaviour, both verbal and written, can be found in Appendix A.

3.3 Unreasonable customer behaviour:

- continually requesting complex information without apparent or good reason and without the intention of resolving their query
- continually placing heavy demands on staff time when dealing with an enquiry.(telephoning, e-mailing or writing constantly, expecting immediate responses)
- recording meetings electronically without prior knowledge or consent of the other person involved.
- adopting a ‘scattergun’ approach whilst their enquiry is being investigated; pursuing the enquiry with several services or agencies, making excessive use of officer time to resolve the enquiry to the detriment of other customers.
- refusing to accept the explanation or outcome of their enquiry, changing the context of their enquiry mid investigation or submitting repeated enquiries on the same subject
- encouraging associates to make representation on behalf of an individual to further endorse the request for service, where that individual is not directly impacted by the complaint.

4. RESPONSIBILITIES

4.1 The overall organisational strategy to tackle violence, aggression and stress associated with challenging customer behaviour is the responsibility of the Chief Executive, in conjunction with SMT.

4.2 It is the responsibility of Heads of Service to:

4.2.1 Contribute to the ongoing development of this policy.

4.2.2 Disseminate the policy within their area of responsibility.

4.2.3 Ensure the implementation of the policy within their area of responsibility by providing support and advice to their Managers.

4.2.4 Expedite matters requiring consideration regarding warning alerts and controls related to incidents or third party disclosure, including the cascade of approved requests from service managers.

4.2.4 Monitor the implementation of the policy across the Council.

- 4.2.5 Quality control the response to unreasonable persistent cases and sanction the escalation of cases to the relevant process.

Service Managers will:

- 4.2.6 Ensure all employees' responsibilities are risk assessed and, where appropriate, for the requirement and attendance at specialist training, e.g. Breakaway.
- 4.2.6 Ensure employees work in an environment that is as safe as possible, which includes visits to a customer's house or business premises and other public places.
- 4.2.7 Complete violence and aggression risk assessments and reduce the risks identified by using the sanctions contained in this policy.
- 4.2.8 Treat any reports of work related violence, threats, abuse, or other unacceptable behaviour seriously and respond to them promptly.
- 4.2.9 Ensure support is offered to employees following violent or distressing incidents.
- 4.2.10 Ensure that safety measures are reviewed following an incident.
- 4.2.11 Ensure employees are appropriately trained in local procedures and incident reporting requirements.
- 4.2.12 Ensure all frontline employees attend conflict resolution/de-escalating/defusing training.
- 4.2.13 Ensure all employees attend customer care training, where appropriate.
- 4.2.14 Ensure all relevant risk assessments, escalation and relevant communication records are forwarded to customer services to be retained on our customer relationship management system
- 4.2.15 Support employees to identify the best escalation route available to reduce impact and manage risk.
- 4.2.16 Seek to identify any capacity issues related to the customer that may directly impact on the behaviour experienced.
- 4.2.17 Where a likely criminal offence has been committed ensure reporting to the police on 999 or 101.

Employees will:

- 4.2.18 Identify high risk situations/individuals or those with complex needs and agree action plans with Managers.

- 4.2.19 Co-operate with the Council discharging its statutory duty as an employer.
- 4.2.20 Take reasonable care of their own health and safety and consider how their actions or omissions may affect their safety and that of others.
- 4.2.21 Recognise the potential for work related violence and take action to resolve it early on.
- 4.2.22 Report any incident of violence and aggression (physical and non-physical).
- 4.2.23 Report all unreasonable and persistent cases to manager and support escalation as appropriate.
- 4.2.24 Co-operate with any subsequent investigations following reports of violent and aggressive incidents.
- 4.2.25 Undertake training identified as mandatory and relevant to their role.
- 4.2.26 Highlight issues to their Manager that may increase the risk of aggression/violence, for example, repeated complaints of poor levels of customer service.
- 4.2.27 Be aware of how their own behaviour might be perceived by others.
- 4.2.28 Follow Council policies, standard operating procedures, safe systems of work and other identified control measures.

5. VIOLENCE AND AGGRESSION RISK MANAGEMENT

5.1 Risk Management Process

- 5.1.1 Prevention of violence at work must start with a full assessment of the risks. The risk assessment should be carried out by appropriately trained employees gathering information from a number of sources (including our statutory partners). Help and assistance can be obtained from the Health and Safety Adviser in Human Resources.
- 5.1.2 The risk assessment process should be:
 - 5.1.2.1 For the identification of violence and aggression hazards.
 - 5.1.2.2 For evaluating violence and aggression risks.
 - 5.1.2.3 To agree action plans.
 - 5.1.2.4 To implement monitor and review measures to reduce risk.
- 5.1.3 The risk assessor must ensure they have completed a suitable and sufficient risk assessment for all the activities being undertaken and

must produce control measures that reduce the risk to the lowest level that is reasonably practicable.

5.2 Risk Assessments for Locations and Teams

- 5.2.1 Where a risk of violence and aggression has been identified, a risk assessment should be undertaken for each service or team, as it is dependent on the situation the Council will interact with the person. The assessment should identify areas where a more detailed risk assessment is required and should include an examination of the physical layout and security measures of the area assessed.
- 5.2.2 It is recognised that there are some specific circumstances and situations where the risk to the Council may be higher. These include:
 - 5.2.2.1 Where the employee is a lone worker.
 - 5.2.2.2 Where employees are dealing with individuals who may be anxious, angry or frustrated.
 - 5.2.2.3 Customers with medical conditions may have challenging behaviour.
 - 5.2.2.4 Where employees are making visits to domestic or commercial premises.
 - 5.2.2.5 When customers are being seen alone or with a single chaperone.
 - 5.2.2.6 When the number and locality of employees that may be able to respond to situation does not provide adequate support.
 - 5.2.2.7 Where customers may be under the influence of alcohol/drugs.
 - 5.2.2.8 When staff are delivering unfavourable messages for example in respect of a regulatory compliance issue.
 - 5.2.2.9 Where environmental factors which may give rise to violence and aggressive behaviour such as levels of lighting, noise, distractions, number of people present, location of furniture, clear lines of sight, potential weapons, colour schemes.
- 5.2.3 Zero Tolerance requires council to progress all incidents independent of the circumstances of the customers. Whilst the sanctions may vary, escalation is always required.

5.3 Risk Assessments of Individual Service Users

- 5.3.1 Individual service users may be subject to a risk assessment for Violence and Aggression. This assessment, where appropriate, will support existing plans, for example, a personalised housing plan, for a customer presenting with challenging behaviour. A risk assessment may be triggered following an incident or on receipt of intelligence.
- 5.3.2 Where it is identified that an individual service user may present a risk to employee or others, the appropriate manager must ensure that:
 - 5.3.2.1 A Challenging Behaviour risk assessment (see Appendix B) with relevant action plan is completed.
 - 5.3.2.2 The assessment and actions are documented in both the service and corporate customer relationship management system.
 - 5.3.2.3 All appropriate employees and services are informed of any actions that need to be taken.
 - 5.3.2.4 A review of the risk assessment and control measures is undertaken if a further incident occurs, on new intelligence, or at the set review date.

5.4 Warning Alerts on Customer Records

- 5.4.1 Following certain violence and aggression incidents, self or third party disclosure or following a service user risk assessment, when a customer is subject to escalation as either violent or aggressive or unreasonable or unreasonable persistent behaviour and where circumstances warrant placing an alert against a customer's record, the warning alert will be placed once approved following procedures outlined in the Violence and Aggression Warning Alert Standard Operating Procedure (see Appendix C).

5.5 Risk Assessments for Visits and Lone Workers

- 5.5.1 Employees undertaking visits to domestic/commercial premises and public spaces, may be particularly vulnerable. Managers are expected to ensure that systems are in place that meet their employees' requirements and comply with Council policy.
- 5.5.2 Where the risk of violence to employees is assessed as significant, or liable to arise because of the work activity, and where that risk cannot be avoided, e.g. by providing the service in another suitable location, appropriate risk control measures must be taken to reduce the risk of

violence and aggression to the absolute minimum so far as reasonably practicable.

- 5.5.3 The Council has Lone Working guidance available at <http://insite.northdevon.gov.uk/human-resources/health-and-safety/lone-working> which details how lone workers can protect themselves to minimise the risk and make their working environment safer. Managers who have identified Lone Workers within their services must complete a Lone Worker Risk Assessment. This is particularly important for employees undertaking roles/duties which potentially could be viewed as higher risk.
- 5.5.4 Based upon national guidance, best practice and following an overarching assessment, lone worker safety devices have been identified as an appropriate additional layer of protection to complement existing control measures to manage the risk of violence and aggression in customer homes and other visited premises.
- 5.5.5 Devices have been issued to certain teams where lone working activities carry risk factors that warrant their use. The Council will harmonise the standard of equipment used across the organisation.
- 5.5.6 Employees must use lone working safety devices and/or other forms of technology issued to them, subject to risk assessment (e.g. work mobile phones, tablets).
- 5.5.7 Managers must monitor the use of relevant devices and take action to report non-compliance to heads of service.

5.6 Risk Assessments for Work Environment and Building Design

- 5.6.1 The Head of Resources will work in collaboration with the Council's Health & Safety Advisor and Managers, as well as the Property and Technical Services team, to ensure work environments are as safe and secure as possible to reduce the risk of violence and aggression.
- 5.6.2 Customers will be advised of this policy by signs in all front of house reception areas (an example of a suitable sign is set out in Appendix D).

6. INCIDENT REPORTING

- 6.1 All incidents of physical and non-physical violence and aggression including unacceptable behaviour must be reported immediately in accordance with the Council's [incident reporting guidance](#). The immediate supervisor and/or line manager must also be informed at the first available opportunity.

- 6.2 Managers must take steps to put relevant controls in place as soon as is practical to do so, and must share the incident report with HR and Customer Services to enable completion of corporate record of the incident enabling corporate controls to be implicated if this is observed to be an escalating.
- 6.3 Incident reports will be considered by SMT to monitor emerging threats and provide relevant corporate support.
- 6.4 Persistent and unreasonable behaviour must be reported by all staff to their manager at the earliest available opportunity. Together a decision is made on the appropriateness of escalating the matter (as per appendix x) and the case will be passed to the customer contact team immediately. All cases which are subject to escalation will be subject to a warning alert which will be communicated to services through heads of service and a service specific alert will be issued.

7. COMMUNICATION

- 7.1 Where customers are identified as being aggressive, violent or potentially violent, it will be necessary to share information about such customers in accordance with the employer's duty to protect the health and safety of staff and to protect the staff of other organisations where this is in accordance with the General Data Protection Regulation, the Crime and Disorder Act 1998, and/or other legislation.
- 7.2 In accordance with paragraph 7.1 above, employees of the Council may only share the fact that a warning alert is in place in relation to a customer to other staff members where there is an evidential need for them to know. The decision on which staff (or roles) should be made aware that a warning alert is in place in respect of a customer shall be made by Senior Management Team (or, in an emergency, by the Monitoring Officer) and decisions on this must be taken on a case-by-case basis depending on the evidence presented.
- 7.3 The fact that a warning alert is in place in respect of a particular customer shall be recorded in the corporate customer relationship management system. Access to this information on the customer relationship management system shall be restricted to those that have an evidential need to know in accordance with paragraph 7.2 above and shall not be available to all users.
- 7.4 The sharing of and disclosure of information relating to violence and aggression warning alerts by the Council to other organisations may occur for the purposes of community safety and security provided it can be justified where there is a credible risk that an unlawful act, such as an assault, will occur. It will be for SMT (or, in an emergency, the Monitoring Officer) to decide, based on the evidence, whether this information may be shared. Where information is shared it should only be provided to a person (or persons) of a similar seniority at that organisation to the members of SMT at the Council.

- 7.5 Where a decision is made by SMT or, where relevant, the Monitoring Officer to change or remove a violence and aggression warning alerts all individuals, both within the Council and at other organisations, who have been notified of the warning alert being in place must similarly be notified (with details where necessary) that the warning alert has now been changed or removed as appropriate. Any decision made on each situation will be recorded on the corporate customer relationship management system.
- 7.6 A customer subject to the Persistent and Unreasonable behaviour process will be notified in writing by NDC Customer Service Manager, attaching a copy of the "Unacceptable Customer Behaviour Procedure (Appendix E). This letter will also refer the customer to our appeal process, if they disagree with the action and wish the matter to be reviewed.

8. SANCTIONS MANAGEMENT

- 8.1 This document establishes a Zero Tolerance Policy, whereby aggressive or violent behaviour towards our employees will not be tolerated under any circumstances. Any violation of this policy will result in the Council taking action. Some risks or incidents may be seen to be so significant or such high risk that the council will take steps to immediately restrict or withdraw services where relevant.
- 8.2 Available Sanctions
- 8.2.1 A wide range of sanctions can be taken for assaults, and other unreasonable behaviour, dependant on the severity of the incident. These measures *may* include:
- 8.2.1.1 Verbal Warning.
 - 8.2.1.2 Warning Letter/Acceptable Behavioural Agreement.
 - 8.2.1.3 Withholding or limiting Service.
 - 8.1.2.4 Exclusion from premises.
 - 8.1.2.5 Secure Controlled Access.
 - 8.1.2.6 Civil Proceedings and Criminal Behavioural Orders.
 - 8.1.2.7 Criminal Prosecution.
- 8.2.2 Relevant sanctions will be recommended by the appropriate Service Manager and authorised by the relevant Head of Service.
- 8.2.3 Except in the most serious of cases, an escalation approach will be generally undertaken. Routinely, a verbal warning would precede any 'Written Warning' and this would precede any 'Acceptable Behavioural Agreement or Contract', although there is no requirement to escalate the response in any particular order should the situation warrant immediate action.

- 8.2.4 Depending on the individual's circumstances and seriousness of each case, the options outlined above can be taken in conjunction with one another or in isolation.

9. VIOLENCE AND AGGRESSION IMPLEMENTATION PROCESSES

- 9.1 The Council acknowledges that a measured approach to managing the problem of Violence and Aggression is required and has made provision for the following situations:

9.2 Challenging Behaviour

- 9.2.1 Where a customer lacks capacity to make decisions around acceptable levels of behaviour because of capacity or other medical factors (in the judgement of an officer in consultation with their Manager), the management of incidents will need to be modified in consultation with appropriate third parties (e.g. Devon Partnership Trust or Adult Social Care).

9.3 Altered Mental State

- 9.3.1 Where there are no medical factors or capacity issues identified as a contributing factor to the unacceptable behaviour, consideration should be given to any altered mental state of mind that may be caused by the nature of the customer's contact with our services.
- 9.3.2 Examples could include a customer suffering bereavement or being a victim of an assault. In such situations actions should be reasonably proportionate to these circumstances. Whilst escalation will always be progressed, sanctions may reflect a supportive approach to the customer.

9.4 The Escalation Process

Every incident of violence or aggression requires a response. If the incident is likely to constitute a criminal offence then an immediate report to the police is required. Any member of staff who feels in immediate danger should call 999 or request a colleague to do so on their behalf. See Appendix A

Where the incident has been de-escalated then a report must be made immediately on 101 and recorded on the Incident Reporting Form. Officers must advise managers immediately of their actions.

If a report has been made to the police and there is a recurrence or escalation of the behaviour, then the escalation route may include concurrent use of the powers outlined in the Anti-Social Behaviour Act 2003 and a criminal investigation.

In this case the escalation process will follow a route which ultimately includes close working with Legal Services to consider use of Civil Injunction or Criminal Behaviour Order (if associated with Criminal Behaviour)

Where the customer is deemed to be under the influence of drugs or alcohol steps should be taken to de-escalate and terminate the call, interview or visit and alternative arrangements made for completing the service request.

Escalation Route using Anti-Social Behaviour Legislation

Stage 1 – Verbal Warning

Delivering a Verbal Warning

- 9.4.1 Where a customer, their relative or other visitor is abusive or displays other unacceptable behaviour, the member of employee or senior officer should explain to the customer what is and is not acceptable behaviour and they should outline what the possible consequences of any further repetition of unacceptable behaviour could be. An experienced employee should ideally witness this explanation. Identification of any triggers for the behaviour may be useful in future prevention. An immediate record needs to be made of the event.
- 9.4.2 The main aim of the Verbal Warning process is twofold:
- 9.4.2.1 To ascertain the reason for the behaviour displayed as a means of preventing further incidents or reducing the risk of them reoccurring.
 - 9.4.2.2 To ensure that the customer, their relative or other visitor is aware of the consequences of further unacceptable behaviour.
 - 9.4.2.3 The incident and local actions taken must be reported and investigated in accordance with the Council incident reporting procedures. The fact that a Verbal Warning has been given should be recorded in the customer's notes.

NB: Normally, a Verbal Warning should be delivered no more than twice.

Where a verbal Warning would be inappropriate

- 9.4.3 A Verbal Warning would be inappropriate where it has been ascertained that in the judgement of the officer a customer lacks capacity to make decisions around acceptable levels of behaviour due to the customer's wider condition. The management of incidents will need to be modified in consultation with expert third party advice. This is likely to include the attendance of a third party advocate. The immediate action of the officer is to de-escalate and terminate the call, interview or visit.

9.5 Stage 2 – Written Warning letter and/or Acceptable Behavioural Agreement

Developing a Warning Letter

- 9.5.1 Warning letters issued to customers and the placing of warning alert against customer records will be undertaken in accordance with the Violence and Aggression Warning Alerts Standard Operating Procedure.

Letter 1 is usually sent as escalation to a verbal warning, setting out the nature of the behaviour and that the Council will not tolerate this behaviour towards its staff.

Letter 2 is usually an escalation to a Letter 1 Warning but can be sent immediately after a verbal warning if the incident is seen as significant and/or is distressing to the member of staff concerned. As per Letter 1 it sets out the zero tolerance to this behaviour and that this should be considered as part of an escalating process which may result in service reducing or being withdrawn.

Developing an Acceptable Behavioural Contract

- 9.5.2 An Acceptable Behavioural Contract may be considered for customers or their associates, to address unacceptable behaviour where verbal warnings or a warning letter have failed. An Acceptable Behavioural Contract is a written agreement between the parties aimed at addressing and preventing the recurrence of unacceptable behaviour and can be used as an early intervention process to stop unacceptable behaviour from escalating into serious behaviour.

- 9.5.3 Key stakeholders and relevant personnel should organise and attend a pre-meeting to discuss the conditions that will be set out in the Acceptable Behavioural Contract.

- 9.5.4 Where it is considered safe and appropriate to do so, the perpetrator will be invited to attend a meeting where they are requested to sign the agreement. It is important that there is a discussion with the perpetrator as it may encourage them to recognise the impact of their behaviour, take responsibility for their actions and improve their behaviours.

- 9.5.5 All senior managers responsible for organising the Acceptable Behavioural Contract meeting should meet prior to the meeting to consider:

9.5.5.1 The desired outcome.

9.5.5.2 Appropriate conditions of the behavioural agreement.

- 9.5.6 During the meeting the following issues should be covered:
 - 9.5.6.1 Reason for establishing the Acceptable Behavioural Agreement.
 - 9.5.6.2 Explanation as to why the identified behaviour is unacceptable.
 - 9.5.6.3 Clear expectations of what constitutes continued unacceptable behaviour.
- 9.5.7 Where a customer, relative or visitor fails to attend the meeting without good reason or notification, reasonable attempts must be made to contact them.

Monitoring an Acceptable Behavioural Agreement

- 9.5.8 Monitoring is essential if the Acceptable Behavioural Agreement is to be effective. Therefore, the roles and responsibilities in respect of monitoring must be clearly outlined so that any further unacceptable behaviour is recorded and appropriate action can be escalated should that become necessary. It is important that the Manager documents all these for future referencing.
- 9.5.9 Where a customer, their relative or other visitor fails to comply with the terms outlined in the Acceptable Behavioural Contract consideration should be given to alternative procedural, civil or criminal action and initiating Stage 3 (below).

9.6 Stage 3 – Written Final Warning

- 9.6.1 A final written explanation of potential exclusion from the premises and the withholding of service may be considered if unacceptable behaviour persists or is of a significant serious nature.
- 9.6.2 This stage will only be implemented following a review of the case by the relevant Head of Service in conjunction with Legal Services, who will recommend the action to be taken.
- 9.6.3 This letter, which can only be sent following the endorsement of SMT, should notify the perpetrator if there is a repetition of their unacceptable behaviour, then this warning letter will remain on their personal record for a period of one year from the date this letter has been issued and will be taken into consideration with one or more of the following actions:
 - 9.6.3.1 The withdrawal of NDC service.
 - 9.6.3.2 Exclusion from premises with conditions.

9.6.3.3 The matter will be reported to the Police with a view that the Council will seek a criminal prosecution by the Crown Prosecution.

9.6.3.3 The Council will seek legal advice and consider civil proceedings or seeking sanctions such as a Criminal Behavioural Order. Any legal costs incurred will be sought from the perpetrator.

9.7 Stage 4 – Strategy Meeting

9.7.1 In cases where there is failure to comply with stages 1, 2, and 3 and/or further incidents of unacceptable behaviour are reported, a strategy meeting for all professionals involved in the case will be called by the relevant Head of Service to examine all available information and to consider which course of action would be appropriate as set out in the final warning letter.

At this stage Legal Services will define the information required and will lead the case in conjunction with the relevant Head of Service.

10. PROCEDURE FOR DEALING WITH OTHER UNACCEPTABLE CUSTOMER BEHAVIOUR

10.1 This section of the policy addresses customers who by their actions (which may not be abusive or violent) are unreasonable in terms of the demands placed on services and the stress that this puts on staff. This procedure similarly has three stages to ensure we make decisions affecting a customer's access to our services in an appropriate manner and at an appropriate seniority level.

Stage 1

If a member of staff believes a customer is behaving in a manner that they feel is unacceptable, either on the telephone, face to face or via e-mail they can:

- a) politely explain that we expect our staff to be treated with respect and ask them to moderate their behaviour.
- b) if the behaviour continues, give a warning of further action, for example warn the customer that the telephone call will be terminated or ask the customer to leave the premises.
- c) if the customer does not moderate their behaviour, the member of staff should follow through on their action.

The member of staff should record circumstances of the incident using the council's incident reporting form, including date and time and report the incident to their line manager

Staff should always refer behaviours that they believe are unreasonable to their line manager who will judge what actions should be taken.

Stage 2

If customers persist in their unacceptable behaviour it may be necessary for us to consider additional measures. Staff should report the incident(s) to their line manager who can refer the case to the Customer and Corporate Communications Manager who will review the case and consider whether further action is required.

Further action may include:

- placing time limits on telephone conversations and personal visits.
- restricting the number of telephone calls or visits we will accept (for example, one call or visit on one specified morning/afternoon of any week).
- limiting the customer to one form of contact (for example, telephone, letter or email) and/or requiring the customer to communicate with one named member of staff only.
- requiring any face to face contact to take place in the presence of a witness (another member of staff).
- refusing to discuss, register or process further complaints about the same matter.
- where we have made any final decisions, providing the customer with acknowledgements only of their correspondence; or informing them their future correspondence will be read and placed on the file, but not acknowledged. A designated member of staff should be appointed to read all future correspondence.
- asking the customer to enter into an agreement about their future conduct.

The Customer and Corporate Communications Manager will notify the customer, in writing, of our decision, attaching a copy of this policy. This correspondence will also refer the customer to our appeal process, if they disagree with the action and wish the matter to be reviewed.

The Customer and Corporate Communications Manager will keep a record of the investigation and its outcome.

Stage 3

If the customer is unhappy with the restrictions we have placed upon them, they can appeal. The Monitoring Officer and a different SMT member will hear their appeal.

The Monitoring Officer will keep a record of their appeal review and will notify the customer, in writing of the decision.

We will always set a time limit on any restrictions we impose and review these on a regular basis. The Monitoring Officer, during the review, will decide whether the restrictions should remain in place or be cancelled. The Monitoring Officer will advise the customer of any changes to our original decision.

11. TRAINING

11.1 Conflict Resolution Training

11.1.1 The Council requires that all frontline employees (those dealing directly with the public) receive conflict resolution training. This training is intended to help prevent situations escalating and to diffuse potentially abusive and violent incidents. This training includes the causes of violence, the recognition of warning signs and de-escalation techniques.

11.2 Higher Risk Groups

11.2.1 Employees in higher risk groups may require a more in-depth level of training in defusing situations where aggression is being displayed or in responding to physical violence. This training may include the following:

11.2.1.1 Dementia Training.

11.2.1.2 Breakaway training, or other similar training which aims to deal with threatening situations.

11.2.1.3 Other as required by the business or emerging risk

11.2.2 Training requirements will be determined by risk assessment conducted by the service manager and employee.

11.3 Staff Welfare and Support

At every stage of the reporting and escalation of any incident of violence or aggression, every member of staff directly or indirectly involved will be offered appropriate and available welfare and support as set out in the Council's Welfare Services. This will be in the form of:

11.3.1 Self-selection of self-care advice and support e.g. telephone or general community advice services

11.3.2 Participation in open access or self- services e.g. group support

11.3.3 Attendance at specialist support appointments e.g. counselling or Trauma Risk Management support

12. MONITORING COMPLIANCE WITH AND THE EFFECTIVENESS OF THE POLICY

12.1 Standards/Key Performance Indicators

12.1.1 The Council undertakes to evaluate the effectiveness of this policy and the associated guidelines, the key performance indicators comprise:

12.1.1.2 Number of incidents being reported.

12.1.1.3 Monitoring of attendance at training.

12.1.1.4 Number of V&A Warning Alerts.

12.1.1.5 The findings from staff surveys.

12.1.1.6 Number of cases de-escalated where service is still being delivered.

12.1.1.7 SMT notification that risk assessments have been reviewed on an annual basis.

APPENDIX A

EXAMPLES OF INCIDENTS WHICH REQUIRE REPORTING

REPORTING TO POLICE

1. Assault – Force used without consent, sexual or otherwise
2. Damage to property. This can include buildings, cars or personal property
3. Harassment – this can include invasion of personal space.
4. Stalking - harass or persecute (someone) with unwanted and obsessive attention.
This can include online attention
5. Public Order – Threats to a person or premises, foul or abusive language.
6. Drunk and Disorderly – Only applicable in a public space but does include Council customer facing offices.
7. Malicious Communications – Intent to cause stress or anxiety, not telephoning for a specific reason.
8. Hate Crime - Crimes committed against someone because of their disability, race, religion or belief, transgender-identity or sexual orientation

General Guidelines:

Mental Health conditions are never an excuse for committing a crime, so all incidents should be reported.

The Police Officers in the Council's Community Safety Team will assist in reporting of any incidents.

All (non-urgent) crime reports can be made on 101, online reporting or live chat facility.

Even if matters cannot be dealt with criminally, reports can contribute to a vital intelligence picture which will be used to mitigate risk and reduce harm to communities.

EXAMPLES OF INCIDENTS WHERE INTERNAL PROCESS & CIVIL POWERS APPLY

1. Offensive language, verbal abuse and swearing which makes staff feel unsafe.
2. Unwanted or abusive remarks.
3. Negative, malicious or stereotyping comments. (See Hate Crime above)
4. Invasion of personal space.(See Harassment above)
5. Offensive gestures.
6. Bullying, victimisation or intimidation.(See Harassment above)
7. Unreasonable behaviour and non-co-operation, for example, not responding to a request to leave Council premises.

APPENDIX B

Challenging Behaviour - Customer Risk Assessment

Section A: Customer details:

Customer Name: DOB: / / Customer No.:

Address:

Postcode: Date of Assessment: / / Time:

Service:

Section B:

How have you been made aware of the issues relating to this customers behaviour?

Name of officer disclosing information (if not the officer completing this form)

Nature of threat

Section C: Risk indicators:

Is the customer displaying physical signs? Yes No
(E.g. tense and agitated, sweating profusely, voice/ pitch change, dilation of pupils, physical signs of aggression etc.)

Is the customer a risk to staff or others? Yes No
(E.g. aggression, violence)

Agenda Item 7

Appendix A

Has there been a previous episode of violence/ aggression? Yes No
 (E.g. customer lashing out, verbal threat etc. this admission or previous admissions)

Is the customer presenting challenging behaviour? Yes No
 (E.g. inappropriate demands, poor service response etc.).

Is the customer a risk to themselves? Yes No
 (E.g. suicide, self-harm etc.).

Section D: Initial Management Plan to manage risks identified:

Control	Yes/No	Date
Normal Service Continues (Details)		
Service Refinement Required (Details)		
Urgent significant amendment to service or service withdrawn (Details)		

Warning/Escalation Stage Recommendation	Yes/No	Date
Verbal Warning		
Escalate to Letter 1		
Escalate to Letter 2		
ABC		
Civil Injunction /CBO		

Customer Aware	Yes	No
Details of Customer communication		

Section E: Person completing risk assessment:

Completed by: Signed:

Designation: Date.....

CHECK LIST

Risk Assessments of Individual Service Users

Individual service users may **already** be subject to a risk assessment for Violence and Aggression - check Firmstep.

Where it is identified that an individual service user may present a risk to staff or others, the appropriate Manager must ensure that:

- Immediate control sought at service level and relevant staff advised
- Incident report completed and sent to HR & attached to this Risk Assessment if relevant
- Permission for an alert of a warning sought from Monitoring Officer/SMT if required
- Ensure risk assessment and actions are documented in the customer's record in Firmstep.
- A review of the risk assessment and control measures is undertaken if a further incident occurs or at the set review date.
- Staff welfare considered and monitored. Is TRiM relevant?

If this risk assessment was completed following an incident, please ensure the incident is recorded on the Council's customer relationship management system

APPENDIX C

VIOLENCE AND AGGRESSIVE WARNING ALERT PROCEDURE

1. PURPOSE

The purpose of this procedure is to set out NDC's system for placing a risk of violence and aggression alert on the electronic/paper records of potentially violent individuals.

The implementation of an alert of a warning system will ensure the following:

- Provide an early warning to staff of a particular individual or situation that represents a risk to them, their colleagues or customers.
- Provide security warnings and handling advice to avoid or minimise the risk.
- Help reduce the number of violent incidents at the local level; and
- Assist in creating a safe and secure environment for staff, customers and other visitors.

2. DUTIES

2.1 Customer Services Manager

The role of the Customer Services Manager is to:

- Maintain a corporate list of all individuals who have a warning alerts on their records.
- Advise Heads of Service of the details of new warning alerts and any alerts, which should be placed on their systems and when they should be removed.
- Undertake the warning alert review process by reassessing cases in consultation with the relevant Head of Service and then submitting recommendations to SMT.

2.2 Warning Alert Review Panel

The Warning Alert Review Panel will consist of SMT and their role is to:

- Approve recommendation of the relevant Head of Service with regards to marking records;
- Ensure that the decision making process is objective, transparent and fair.
- Review all warning alerts 6 monthly or as requested to ensure they are relevant, proportionate and the interests of individuals are appropriately safeguarded.
- Warning alerts will be discussed within a confidential setting of the meeting and with representation and input from case officers, if needed.

2.3 All Managers

All managers must ensure they understand how the standard operating procedure is enacted, when it should be enacted and their role within this structure. They should also ensure that, where necessary, staff who have been the victims of violence or aggression receive the appropriate support.

2.4 All Staff

Employees who have contact with customers and their associates are responsible for keeping themselves informed and up to date by checking the corporate customer relationship management system.

3. WARNING ALERTS

- 3.1 A warning alert may only be applied by the Senior Management Team or, in an emergency, by the Monitoring Officer. The use of a Warning Alert will help reduce possible risks to Council staff by enabling them to consider and implement measures for their protection.
- 3.2 An alert does not just apply to circumstances where the individual is a customer, but may equally apply where the person is the customer's associate – for example, their friend, relative or guardian.
- 3.3 It is important to state that the alert is not a mechanism for attributing blame; it is a process for alerting staff to the possibility of violence or aggression, whether such actions are deliberate or take place as a result of a medical condition or as a response to treatment or medication and a way for managers to identify actions that might mitigate risk.

- 3.4 The alert and associated additional information (such as warnings, handling advice, etc.) will be available to all Council staff who, because they may have face-to-face contact with a particular individual, may be subject to an increased risk of violence or aggression.
- 3.5 Non-physical assault (including threatening behaviour) can be equally serious and incidents should be reviewed to consider placing an alert on records.
- 3.6 The supporting information within each warning alert will include for example any associated risks to other customers or their relatives/associates.

4. PROCESS

- 4.1 Following an incident of physical or non-physical assault the employee must complete an incident report form and a risk assessment. If the information has been received from a third party then only a risk assessment is required.
- 4.2 The Head of Service will investigate the incident and decide from the outcome and the evidence available whether the evidence suggests that a warning alert should be placed against the individual.
- 4.3 A warning alert may only be placed against an individual following full consideration of the evidence by the Senior Management Team (SMT) or, in cases of an emergency, by the Monitoring Officer.
- 4.4 Where determining whether a situation is an emergency, pursuant to paragraph 4.3 above, the Head of Service shall consider whether there is credible evidence that a violent or dangerous person poses an immediate threat to one or more of the Council's staff (or others) and the situation cannot be resolved simply by making sure the relevant staff (and any others) are aware of the situation pending full consideration of putting in place a warning alert by SMT.
- 4.5 The evidence to support the warning alert process must be:
 - Processed fairly and lawfully (see below).
 - Obtained for specified and lawful purposes.
 - Adequate, relevant and not excessive.
 - Accurate and up to date.
 - Not kept any longer than necessary.
 - Processed in accordance with the "data subjects" (the individual's) rights.
 - Securely kept.
 - Not transferred to any other country without adequate protection in situ.

In respect of the above, the Council, as an employer, has a legal duty of care towards its staff including under health and safety legislation. Accordingly the lawful basis pursuant to which this information will be processed will be that it is necessary to comply with a legal obligation imposed on the Council. It may be that where processing is necessary over and above what is required pursuant to the Council's legal obligations referred to above then such processing may be in the legitimate interests of the Council and/or its staff and such legitimate interests are not outweighed by the expectation of privacy held by the individual(s) concerned however such a balance will need to be considered on a case by case basis.

Where the Council processes any special category data or criminal offence data, the additional lawful basis will be that the processing is necessary for the purposes of carrying out obligations in the field of employment law or where it is necessary for reasons of substantial public interest on the basis of law.

- 4.6 The following risk factors should be considered when determining whether a warning alert should be placed against an individual:
- Nature of the incident (i.e. physical or non-physical)
 - Degree of violence used or threatened by the individual.
 - Injuries sustained by the victim.
 - The level of risk of violence that the individual poses.
 - Whether an urgent response is required to alert employees.
 - Impact on staff and others who were victims of or witnessed the incident.
 - Impact on the provision of services.
 - Likelihood that the incident will be repeated.
 - Staff are due to visit a location where the individual may be present in the near future.
 - The individual is a frequent user of the service.
 - The incident, while not serious itself, is part of an escalating pattern of behaviour.
- 4.7 Where SMT decides to put in place a warning alert in relation to an individual, then, except in extenuating circumstances, the Head of Service will then be required to write to the person concerned to notify them of this decision.
- 4.8 A warning alert will not be placed against an individual where there is insufficient evidence of violence and aggression towards employees.

5. ESSENTIAL INFORMATION

- 5.1 For all warning alert systems, the alert should include the following information:
- Who, or what the warning alert applies to;
 - A brief classification of the type of incident;
 - Date the warning alert is effective from and review date;
 - Whether the individual has been notified; and
 - Essential and relevant handling information or advice to staff about who to contact for further advice or guidance. This should include a relevant contact for staff who work off-site or out of hours.

5.2 Where possible, the alert should provide employees with additional information to manage the risks that an individual poses. It is suggested that the additional information may include:

- Advice that employees should exercise caution when dealing with the individual;
- A brief description of the incident, e.g. physical or non-physical assault;
- Information relating to an individual's medical condition, and care if relevant;
- Security warnings, specific areas of risk or trigger factors;
- Essential guidance on how to deal with the individual.

6. REVIEW PROCESS FOR A WARNING ALERT

6.1 All warning alerts will be agreed by SMT except in cases of emergency where they will be agreed by the Monitoring Officer.

6.2 All approved violence and aggression warning alert will be reviewed by SMT at intervals set by SMT (or, where relevant, the Monitoring Officer) as appropriate in consideration of the evidence which, in the absence of anything stipulated as an alternative, shall be 6 months starting from the date the Warning alert was put in place by SMT or the Monitoring Officer.

6.3 Violence and aggression warning alerts must be removed when there is no longer a threat posed by the customer and/or must be changed as appropriate (with relevant action taken) where evidence changes or the threat of violence and aggression develops.

6.4 Decisions on how long a warning alert should remain in place shall be based on the following:

- The original level or threat of violence;
- How long ago the incident was;
- The previous and subsequent behaviour of the individual; and
- Whether or not the incident was likely to have been a "one-off" (e.g. the individual was suffering an unusual amount of stress due to a particular set of circumstances).

7. NOTIFYING THE CUSTOMER

7.1 Except where there are extenuating circumstances the customer should be informed in writing as soon as possible following a decision to provide a written warning or the indent to escalate them for their behaviour.

7.2 The Head of Service is responsible for sending a notification letter to the customer outlining the reason action to be taken in light of the recent behaviour. The letter should clearly explain:

- The time, date and nature of the incident;

- That their records will show a warning has been issued and the reason;
- The process for approval and review of this warning;
- Action to be taken if additional incidents are reported and investigated; and
- How to make a complaint if they do not agree with the decision.

8. INFORMING AND SUPPORTING THE EMPLOYEE INVOLVED IN THE INCIDENT

- 8.1 It is important that the Head of Service informs the employee of the decision reached. When a warning alert is placed on records, this feedback will assist in developing a pro-security culture and encourage more employees to report future incidents. If a decision has been reached that a warning alert is not required, the Head of Service should explain the reasons to the employee and offer them any further assistance that is necessary.
- 8.2 Managers should ensure that the employee has access to appropriate support. Managers can receive support through their own head of service, managers with previous exposure to this process or HR.

9. COMPLAINTS

- 9.1 When a customer is notified that a warning is being issued and therefore will be placed on their records, they should be advised how to complain about the decision if they wish to and be given the relevant contact details.
- 9.2 All complaints against a warning being placed on an individual's record will be reviewed by the Head of Service and managed through the established complaints process.
- 9.3 Where the complaint is upheld, the warning will be removed with immediate effect, the individual will be informed and an apology given.
- 9.4 Where it is deemed that the warning is appropriate, the warning alert will remain on the individual's record and the individual will be informed.

10. RECORD KEEPING

10.1 The Customer Services Manager is responsible for keeping appropriate records to include the following:

- Clear rationale for instigating an alert of a warning.
- Date the alert of the warning was applied to the customer record.
- Date the individual and/or their associate was informed by letter.
- Incidents reviewed where there was insufficient evidence.
- Date the alert was approved by SMT.
- Whether the individual made a complaint including the date and outcome.
- Individual alerts due for 6-monthly (or other) review.
- Date(s) the alert was reviewed by SMT to determine whether it should remain.
- Date and rationale when the alert is removed from the individual's record.

10.2 The Customer Services Manager will ensure that a separate list of all individuals who have an alert on their records is kept securely with access restricted.

10.3 Head of Service will ensure the maintenance of alerts on their systems, as directed by the Customer Services Manager/SMT.

10.4 Alerts of warnings shall be entirely deleted from the Council's systems where, following review, a decision is made that they are to be removed in respect of a customer.

APPENDIX D

MODEL SIGN FOR NDC FRONT OF HOUSE RECEPTION AREAS

ZERO TOLERANCE

There is no excuse for abusing our employees or acting unreasonably.

Aggressive behaviour towards our staff will not be tolerated.

You may be reported to the Police.



North Devon District Council
Internal Audit Annual Report 2018/19

August 2019

This report has been prepared on the basis of the limitations set out on page 11.

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This report (“Report”) was prepared by Mazars LLP at the request of North Devon District Council and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

This Report was prepared solely for the use of North Devon District Council and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance based on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

Please refer to the Statement of Responsibility at the end of this Report for further information about responsibilities, limitations and confidentiality

Introduction

Purpose of this Report

This report summarises the work that Internal Audit has undertaken and the key control environment themes identified across North Devon District Council (the Council) during 2018/19, the service for which is provided by Mazars LLP.

The purpose of the Annual Internal Audit Report is to meet the Head of Internal Audit annual reporting requirements set out in the Public Sector Internal Audit Standards (PSIAS) and the Accounts and Audit Regulations 2011). The PSIAS requirements are that the report must include:

- An annual internal audit opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework (the control environment);
- A summary of the audit work from which the opinion is derived (including reliance placed on the work by other assurance bodies); and
- A statement on conformation with the PSIAS and the results of the Internal Audit Quality Assurance and Improvement Programme (QAIP), if applicable.

The report should also include:

- The disclosure of any qualifications to that opinion, together with reasons for the qualification;
- The disclosure of any impairments or restriction in scope;
- A comparison of the work actually undertaken with the work that was planned and a summary of the performance of the internal audit function against its performance measures and targets;
- Any issues judged to be particularly relevant to the preparation of the annual governance statement; and
- Progress against any improvement plans resulting from QAIP external assessment.

It should be noted that the Council is responsible for ensuring 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 also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Authority's functions and which includes arrangements for the management of risk.

Overview of Internal Audit Approach

As Internal Audit, our role is to provide an annual assurance statement on the adequacy and effectiveness of the Council's systems of governance, risk management and internal control.

Overview of Work Done

The Audit Plan for 2018/19 included 18 internal audit projects. We have liaised with senior management throughout the year to ensure that internal audit work undertaken continues to focus on the high risk areas and, in the light of new and ongoing developments in the Authority, help ensure the most appropriate use of our resources.

We generally undertake individual internal audit projects with the overall objective of providing Members, the Chief Executive and other officers with reasonable, but not absolute, assurance as to the adequacy and effectiveness of the key controls over a number of management's objectives. Other audit projects are geared more towards the provision of specific advice and support to management to enhance the economy, efficiency and effectiveness of the services and functions for which they are responsible. We also undertake IT audits, probity audits and anti-fraud work. All internal audit work was performed in compliance with the PSIAS.

All internal audit reports include our recommendations and agreed actions that, if implemented by management, will enhance the control environment and the operation of the key management controls.

Compliance with the PSIAS

During our internal audit work we practice the principles of the PSIAS. The PSIAS require periodic self-assessment and an assessment by an external person every five years. Our self-assessment with the PSIAS is complete.

The outcome of this external assessment is stated within the resulting report as:-

"From the evidence reviewed as part of the external quality assessment, no areas of noncompliance with the public sector internal audit standards have been identified that would affect the overall scope or operation of the internal audit activity, nor any significant areas of partial non-compliance.

On this basis, it is our opinion that Mazars GRIC - Public Services conforms to the requirements of the Public Sector Internal Audit Standards and the Local Government Application Note."

This report sets out the results of the work performed as follows:

- **Overall summary** of work performed by Internal Audit including an analysis of report gradings; and
- **Key themes identified** during our work in 2018/19.

In this report, we have drawn on the findings and assessments included in all internal audit reports issued in 2018/19, including those that, at this time, remain in draft. It should be noted therefore that the comments made in respect of any draft reports are still subject to management response.

Overall Summary

As illustrated in the tables below, we have noted an overall consistency in North Devon District Council's control environment during the audit year. During 2018/19, 8 out of 18 internal audit projects, where an assurance rating was relevant, were rated 'substantial assurance' compared with 11 out of 18 in the prior year. One out of 18 has been rated with 'full assurance', in comparison with none in the prior year. Two audit reports (Crematorium and Follow up) do not provide an opinion. We have also noted that at this point in time, the Council has one internal audit projects rated 'limited assurance' in comparison to nil in the previous year.

Report Ratings

As in 2017/18, we have noted areas of improvement throughout the Council. All financial audit reports were issued with substantial assurance and the overall number of recommendations decreased favourably from 34 to 22.

We are pleased to report that, to date, we have not issued any 'nil assurance' or 'Limited Assurance' opinions in 2018/19.

Assurance Gradings	Number of Projects			
	2018/19		2016/18	
Full	1	6%	0	0%
Substantial	8	50%	11	69%
Limited	1	6%	0	0%
Nil	0	0%	0	0%
<i>Still in Draft</i>	6	38%	5	31%
Sub-Total	16		16	
Merged Audits / No Opinion Audits	2		2	
Total Audits Delivered	18		18	
Audits Cancelled / Deferred (IT)	0		1	
Total	18		19	

Opinion 2018/19

From the Internal Audit work undertaken in compliance with the PSIAS in 2018/19, it is our opinion that we can provide **Substantial Assurance** that the system of internal control in place at North Devon District Council for the year ended 31 March 2019 accords with proper practice, except for the significant control environment issues as documented in Appendix 1. The assurance can be further broken down between financial and non-financial systems, as follows:



Key Themes Identified

As Internal Audit continues to apply a risk based approach, our audit projects assess the governance framework, the risk management process as well as the effectiveness of controls across a number of areas. Our findings on these themes are set out below. Overall, we have seen a good improvement in the control environment and whilst further remedial action needs to take place, we have noted that management has already started addressing our most significant findings.

Corporate Governance

As part of our work this year, we have again completed an evaluation of the governance arrangements in order to assist the Council and the S.151 officer in the preparing the Annual Governance Statement for 2018/19.

As in 2017/18, we have concluded that there is reasonable assurance that the Council's governance arrangements are largely compliant with the best practice guidance on corporate governance issued by CIPFA/SOLACE. This opinion is based on:

- The external auditor's annual audit letter 2016718, where no significant weaknesses in the internal control arrangements were identified, and
- Our audit of the Council's corporate governance arrangements that provided an overall substantial assurance rating.

Risk Management

Based on an internal audit of the Council's risk management framework, we have concluded that there is reasonable assurance that the Council's risk management processes are sufficiently formalised and provide information on key risks and issues relating to directorates and the Council as a whole. We found there are processes for identification, recording, and reporting risks, controls, and to help identify action plans to mitigate risks to an acceptable level. The audit provided an overall substantial assurance rating, and we have raised recommendations to further enhance and embed risk management processes.

Internal Control - Key Financial Systems

Each year Internal Audit carries out audit projects of the Council's key financial systems, working in accordance with the managed audit process agreed with the external auditors.

The control environment around key financial systems is similar to 2017/18 with all financial audit reports continuing to have substantial assurance.


A summary of key findings for all 2018/19 Internal Audit projects rated as nil/limited is included at Appendix 1.

Performance of Internal Audit

At the start of the contract, a number of performance indicators were formulated to monitor the delivery of the Internal Audit service to the Council. The table below shows the actual and targets for each indicator for the period:

Performance Measure	Target	Actual
A close out meeting to be held for each audit	100%	100%
Average period between the close out meeting and issue of the draft report	10 days	4.4 days
Average period between the receipt of final management responses and issue of the final report	10 days	1 day
Average customer satisfaction score (measured by survey for each audit) – (Target is 85% of 3 or above) 5=Very good; 4=Good; 3=Satisfactory; 2=Poor; 1= Very poor	4	3.83





Appendix 1 - Audit Projects with Limited and Nil Assurance 2018/19

Project	Grading	Summary of Key Findings
Email Exchange	Limited 	<p>Email Policy</p> <p>We noted that there are a number of policies and procedures in relation to ICT services within the Council; these include, Information Security, Email, Internet Acceptable Usage (next review in 2019). However, staff are only presented with these policies at induction or at the time of review (potentially every 3 years depending on the review schedule).</p> <p>Email Management</p> <p>We noted that the Council have not formally documented or applied retention periods within the exchange server or the ICT Email Policy. Furthermore, through enquiry with the Senior Technical Analyst we noted that there is no archiving or formal records retention set within the email and exchange server, this is primarily due to the fact that the current licensing arrangements do not allow for the use of PST files for export of emails to local file storage. Effectively the email system is being utilised as a storage system which in itself creates a risk with regards to data protection and also due to the current DR arrangements there is the potential for significant data loss in the event of disaster.</p> <p>Access requests and changes to the mailboxes</p> <p>From enquiry with the Senior Technical Analyst, we noted that if access is granted to a user following termination or as a temporary access request there is no formal procedure to review or remove access after a set period. As a result, the process currently relies on line managers to inform them once access is no longer required. It was also noted that managers are requesting access permanently.</p> <p>Email Security</p> <p>We noted that the current e-mail system does not fully meet the Governments Digital Service guidelines.</p> <p>We also noted that the Council does not use any 3rd party secure file sharing software like Egress, Cryptshare or Huddle. To share sensitive files the Council is encouraging staff to password protect documents when needed.</p>

Appendix 2 - Key to Assurance Levels




Assurance Gradings

We have four categories by which we classify internal audit assurance over the processes we examine, and these are defined as follows:

Assurance Level	Evaluating and Testing Conclusion
 Full	<p>There is a sound system of internal control designed to achieve the Council's objectives</p> <p>The control processes tested are being consistently applied.</p>
 Substantial	<p>While there is a basically sound system of internal control, there are weaknesses, which put some of the Council's objectives at risk.</p> <p>There is evidence that the level of non-compliance with some of the control processes may put some of the Council's objectives at risk.</p>
 Limited	<p>Weaknesses in the system of internal controls are such as to put the Council's objectives at risk.</p> <p>The level of non-compliance puts the Council's objectives at risk.</p>
 Nil	<p>Control processes are generally weak leaving the processes/systems open to significant error or abuse.</p> <p>Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse.</p>

Recommendation Gradings

In order to assist management in using our internal audit reports, we categorise our recommendations according to their level of priority as follows:

Priority Level	Definition
1  High	Major issues for the attention of senior management and the audit committee.
2  Medium	Important issues to be addressed by management in their areas of responsibility.
3  Low	Minor issues resolved on site with local management.

Appendix 3 - Progress against the Annual Operational Internal Audit Plan 2018/19

	Audit Title	Proposed Quarter	Planned Days	Anticipated Risk Level	Assurance	Priority One	Priority Two	Priority Three	Status
1.	Risk Management and Corporate Governance	Q4	10	Medium	Substantial	0	1	2	Final Report 21 st August 2019
2.	Main Accounting System and Budgetary Control	Q3	12	High	Substantial	0	0	1	Final Report 5 th March 2019
3.	Creditors	Q3	10	Medium	Substantial	0	1	2	Final Report 16 th August 2018
4.	Payroll	Q1	10	Medium	Substantial	0	0	1	Final Report 16 th August 2018
5.	Cash Collection	Q2	8	Medium	Substantial	0	0	1	Final Report 13 th December 2018
6.	Council Tax and NNDR (including NNDR maximisation)	Q3	15	Medium	Substantial	0	0	1	Final Report 8 th January 2019
7.	Housing Benefits	Q1	10	Medium	Substantial	0	0	1	Final Report 12 th December 2018
8.	Efficiency savings	Q2	10	Medium	Full	0	0	0	Final Report 23 rd August 2019
9.	Waste Management (Refuse and Recycling)	Q3	10	Medium					Draft Report
10.	Regeneration Projects	Q1	10	Medium					Draft Report
11.	Business Continuity	Q2	10	High					Draft Report
12.	Civil Contingencies Plan	Q1	10	High					Draft Report
13.	IT Audits: - GDPR - Email Exchange	Q4	11 11	High	Substantial Limited	0 0	1 3	5 1	Final Report 19 th February 2019 Final Report 24 th January 2019
14.	Fraud, Bribery & Ethics National Fraud Initiative	Q2	8	Low	2pm 30/4/19				Draft Report
15.	VAT	Q1	10	Low					Draft Report

	Audit Title	Proposed Quarter	Planned Days	Anticipated Risk Level	Assurance	Priority One	Priority Two	Priority Three	Status
16.	Crematorium	Q4	3	Low					Draft Report
17.	Follow Up	Q4	10	N/A			1		Final Report 22 nd August 2019
18.	Contingency		20	N/A					
19.	Audit Management		22	N/A					
	Total		220			0	7	15	

Statement of Responsibility

We take responsibility to North Devon District Council for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

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North Devon District Council Internal Audit Charter

August 2019



Introduction

The Internal Audit Charter is a formal document that defines Internal Audit's purpose, authority and responsibility in accordance with UK Public Sector Internal Audit Standards (PSIAS). The charter establishes Internal Audit's position within the organisation, including the nature of the Head of Internal Audit's functional reporting relationship with the Governance Committee; authorises access, to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of Internal Audit's activities. It provides a framework for the conduct of the service and has been approved by the Council's Senior Management Team (SMT) and the Governance Committee.

The PSIAS also include a Mission for Internal Audit which is 'to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight'.

The Charter will be reviewed annually and presented to the Governance Committee and SMT for final approval.

Nature and Purpose

North Devon District Council has developed a risk management framework, overseen by the Head of Corporate and Community, which includes:

- Identification of the significant risks in the Authority's operations and allocation of a risk owner to each;
- An assessment of how well the significant risks are being managed; and
- Regular reviews by the Senior Management Team of the significant risks, including reviews of key risk indicators, governance reports and action plans, and any changes to the Authority's risk profile.

A system of internal control is one of the primary means of managing risk and consequently the evaluation of its effectiveness is central to Internal Audit's responsibilities.

North Devon District Council's system of internal control comprises the policies, procedures and practices, as well as organisational culture that collectively support the Authority's effective operation in the pursuit of its objectives. The risk management, control and governance processes enable the Authority to respond to significant business risks, be these of an operational, financial, compliance or other nature, and are the direct responsibility of the Senior Management Team.

The Authority needs assurance over the significant business risks set out in the risk management framework. In addition, there are many other stakeholders, both internal and external, requiring assurance on the management of risk and other aspects of the Authority's business - these including Members, regulators etc. There are also many assurance providers. The internal audit function is the third line of defence in the Council's 'three lines of defence approach' to risk and assurance. The first line of defence comprises the Council's core operational services, and the second line comprises the oversight functions such as risk management.

The following diagram summarises the three lines of defence model and explains where Internal Audit fits into the Council's assurance process.



Internal Audit is defined by the Institute of Internal Auditors' International Professional Practices Framework 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.'

In a local authority, Internal Audit provides independent and objective assurance to the organisation, its Members, the Chief Executive, the Senior Management Team, and in particular to the Head of Resources to help him discharge his responsibilities relating to the proper administration of the Authority's financial affairs under S151 of the Local Government Act 1972.

In addition, the Accounts and Audit Regulations (2015) specifically require the provision of an internal audit service. In line with regulations, Internal Audit provides independent assurance on the adequacy and effectiveness of the Authority's governance, risk management and internal control systems.

In particular, Internal Audit carries out assurance and consulting activities across all aspects of North Devon District Council's business, based on a programme agreed with the Governance Committee. In doing so, Internal Audit works closely with the Authority's risk owners, service line teams, and the Senior Management Team.

In addition to providing independent assurance to various stakeholders, Internal Audit helps identify areas where the Authority's existing processes and procedures can be developed to improve the extent with which risks in these areas are managed; and public money is safeguarded and used economically, efficiently and effectively. In carrying out its work, Internal Audit liaises closely with the Senior Management Team and management in the service lines (including risk teams).

The independent assurance provided by Internal Audit also assists the Authority to report annually on the effectiveness of the system of internal control included in the Authority's Annual Governance Statement.

Authority and Access to Records, Assets and Personnel

Internal Audit has unrestricted right of access to all Authority records and information, both manual and computerised, cash, stores and other property or assets it considers necessary to fulfil its responsibilities. Internal Audit may enter Authority property and has unrestricted access to all locations and officers where necessary on demand and without prior notice. Right of access to other bodies funded by the Authority should be set out in the conditions of funding.

Any restriction (management or other) on the scope of Internal Audit's activities will be reported to the Governance Committee.

Internal Audit is accountable for the safekeeping and confidentiality of any information and assets acquired in the course of its duties and execution of its responsibilities.

Internal Audit will consider all requests from the external auditors for access to any information, files or working papers obtained or prepared during audit work that has been finalised, and which external audit would need to discharge their responsibilities.

Responsibility

The Authority's Head of Internal Audit is required to provide an annual opinion to the Authority and to the Head of Resources and the Chief Executive, through the Governance Committee, on the adequacy and the effectiveness of the Authority's risk management, control and governance processes. In order to achieve this, Internal Audit will:

- Coordinate assurance activities with other assurance providers (such as the external auditors, the auditors of the Authority's Quality Management, Environmental Management and Information Security accreditations etc.) such that the assurance needs of the Authority, regulators and other stakeholders are met in the most effective way.
- Evaluate and assess the implications of new or changing systems, products, services, operations and control processes.
- Carry out assurance and consulting activities across all aspects of the Authority's business based on a risk-based plan agreed with the Governance Committee.
- Provide the Head of Resources, Chief Executive and other officers with reasonable, but not absolute, assurance as to the adequacy and effectiveness of the key controls associated with the management of risk in the area being audited.
- Issue periodic reports to the Governance Committee, and the Senior Management Team summarising results of assurance activities.
- Promote an anti-fraud, anti-bribery and anti-corruption culture within the Authority to aid the prevention and detection of fraud.
- Assist in the investigation of allegations of fraud, bribery and corruption within the Authority and notifying management and the Governance Committee of the results.
- Assess the adequacy of remedial action to address significant risk and control issues reported to the Governance Committee. Responsibility for remedial action in response to audit findings rests with line management.

Definition	Details	Responsibility in relation to Internal Audit
The Governance Committee	To oversee the financial reporting, risk management, audit and internal control arrangements of the Council to assure the Council and the North Devon District Council Tax payers that resources are properly managed and high standards of financial probity are maintained.	<p>To consider the Head of Internal Audit's annual report and opinion and the level of assurance it can give over the Council's governance arrangements.</p> <p>To review internal audit reports and other evidence of the Council's risk management and internal control systems.</p> <p>Report to Council when necessary to give assurances about the Council's financial statements, risk management and internal control mechanisms or to raise concerns of any significant weakness.</p>
Chief Officers	The Chief Executive has overall corporate management and operational responsibility (including overall management responsibility for all officers) together with specific operational responsibility for those services identified in Part 3 of the Constitution 'Responsibility for Functions'. The Heads of Service have overall strategic and operational management of those services falling within their service lines.	Senior Management Team liaise with Internal Audit to agree the Annual Internal Audit Plan.
S151 Officer	To exercise the functions of the S151 Officer, including proper administration of the Council's financial affairs under S115 and S151 of the Local Government Act 1972 and S114 of the Local Government Finance Act 1988. Ensuring lawfulness and financial prudence of decision making, contributing to corporate management, providing advice and giving financial information.	Deal with Internal Audit issues under the Accounts and Audit Regulations 2015.

There are inherent limitations in any system of internal control and thus errors or irregularities may occur and not be detected by Internal Audit's work. Unless specifically requested and agreed, Internal Audit will not perform substantive testing of underlying transactions.

When carrying out its work, Internal Audit will provide line management with comments and report breakdowns, failures or weaknesses of internal control systems together with recommendations for remedial action. However, Internal Audit cannot absolve line management of responsibility for internal controls.

Internal Audit will support line managers in determining measures to remedy deficiencies in risk management, control and governance processes and compliance to the Authority's policies and standards and will monitor whether such measures are implemented on a timely basis.

Where appropriate, Internal Audit will undertake assurance or consulting activities for the benefit of the Authority in organisations wholly owned or controlled by the Authority (e.g. Local Authority Trading Companies, ALMOs etc). Internal Audit may also provide assurance to the Authority on third party operations (such as contractors and partners) where this has been provided for as part of the contract.

The Governance Committee is responsible for ensuring that Internal Audit is adequately resourced and afforded a sufficiently high standing within the organisation, necessary for its effectiveness.

Scope of Activities

As highlighted in the previous section, there are inherent limitations in any system of internal control. Internal Audit therefore provides the Members, the Chief Executive and other officers with reasonable, but not absolute, assurance as to the adequacy and effectiveness of the Authority's governance, risk management and control processes using a systematic and disciplined approach by:

- Assessing and making appropriate recommendations for improving the governance processes, promoting appropriate ethics and values, and ensuring effective performance management and accountability;
- Evaluating the effectiveness and contributing to the improvement of risk management processes; and
- Assisting the Authority in maintaining effective controls by evaluating their adequacy, effectiveness and efficiency and by promoting continuous improvement.

The scope of Internal Audit's value adding activities includes evaluating risk exposures relating to the Authority's governance, operations and information systems regarding the:

- Achievement of the organisation's strategic objectives;
- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations and programmes;
- Safeguarding of assets; and
- Compliance with laws, regulations, policies, procedures and contracts.

Reporting

For each engagement, Internal Audit will issue a report to the appropriate Audit Contact and Head of Resources or his nominee, and depending on the nature of the engagement and as agreed in the engagement's Terms of Reference, with a summary to the Senior Management Team and the Governance Committee.

The UK Public Sector Internal Audit Standards require the Head of Internal Audit to report at the top of the organisation and this is done in the following ways:

- The Internal Audit Charter is reported to the Senior Management Team. It is then presented to the Governance Committee annually for formal approval.
- The annual risk-based plan is compiled by the Head of Internal Audit taking account of the Authority's risk management framework and after input from members of the Senior Management Team. It is then presented to the Senior Management Team and Governance Committee annually for noting and comment.
- The internal audit budget is reported to Executive and Full Council for approval annually as part of the overall Authority budget.
- The adequacy, or otherwise, of the level of internal audit resources (as determined by the Head of Internal Audit) and the independence of internal audit will be reported annually to the Governance Committee.
- Performance against the annual risk-based plan and any significant risk exposures and breakdowns, failures or weaknesses of internal control systems arising from internal audit work are reported to the Senior Management Team and Governance Committee on a quarterly basis.
- Any significant consulting activity not already included in the risk-based plan and which might affect the level of assurance work undertaken will be reported to the Governance Committee.
- Any instances of non-conformance with the Public Sector Internal Audit Standards must be reported to the Senior Management Team and the Governance Committee and will be included in the annual Head of Internal Audit report. If there is significant non-conformance, this may be included in the

Independence

The Head of Internal Audit has free and unfettered access to the following:

- Chief Executive;
- Head of Resources
- Monitoring Officer;
- Chair of the Governance Committee; and
- Any other member of the Senior Management Team.

The independence of the contracted Head of Internal Audit is further safeguarded as his/her annual appraisal is not inappropriately influenced by those subject to internal audit.

To ensure that auditor objectivity is not impaired and that any potential conflicts of interest are appropriately managed, all internal audit staff are required to make an annual personal independence responsibilities declaration via the tailored 'My Compliance Responsibilities' portal which includes personal deadlines for:

- Annual Returns (a regulatory obligation regarding independence, fit and proper status and other matters which everyone in Mazars must complete); and
- Continuing Professional Development (CPD).

Internal Audit may also provide consultancy services, such as providing advice on implementing new systems and controls. However, any significant consulting activity not already included in the audit plan and which might affect the level of assurance work undertaken will be reported to the Governance Committee. To maintain independence, any audit staff involved in significant consulting activity will not be involved in the audit of that area for a period of at least 12 months.

External Auditors

The External Auditors fulfil a statutory duty. Effective collaboration between Internal Audit and the External Auditors will help ensure effective and efficient audit coverage and resolution of issues of mutual concern. Internal Audit will follow up the implementation of internal control issues raised by External Audit.

Internal Audit and External Audit meet periodically to:

- Plan the respective internal and external audits;
- Discuss potential issues arising from the external audit; and
- Share the results of significant issues arising from audit work.

Due Professional Care

The Internal Audit function is bound by the following standards:

- Institute of Internal Auditor's International Code of Ethics;
- Seven Principles of Public Life (Nolan Principles);
- UK Public Sector Internal Audit Standards;
- All Authority Policies and Procedures; and
- All relevant legislation.

Internal Audit is subject to a Quality Assurance and Improvement Programme that covers all aspects of internal audit activity. This consists of an annual self-assessment of the service and its compliance with the UK Public Sector Internal Audit Standards, on-going performance monitoring and an external assessment at least once every five years by a suitably qualified, independent assessor. An external assessment was carried out in November 2016

which concluded that Mazars GRIC – Public Services conforms to the requirements of the Public Internal Audit Standards and the Local Government Application Note.

A programme of Continuous Professional Development CPD is maintained for all staff working on internal audit engagements to ensure that auditors maintain and enhance their knowledge, skills and audit competencies to deliver the risk-based plan. Both the Head of Internal Audit and the Engagement Manager are required to hold a professional qualification (CMIIA, CCAB or equivalent) and be suitably experienced.

Approved by the Governance Committee on XX XXX 2019

Important Notice

We take responsibility to North Devon District Council for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, re-interpretation amendment and/or modification by any third party is entirely at their own risk.

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North Devon District Council Internal Audit Progress Report 2019/20

September 2019

Distribution List:

Ken Miles	-	Chief Executive
Jon Triggs	-	Head of Resources
Governance Committee		

This report ("Report") was prepared by Mazars LLP at the request of North Devon District Council and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

This Report was prepared solely for the use of North Devon District Council and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance based on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

Please refer to the Statement of Responsibility in Appendix III of this Report for further information about responsibilities, limitations and confidentiality.

1. INTRODUCTION

- 1.1 The purpose of internal audit is to provide Members and the Chief Executive, through the Governance Committee, with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving North Devon District Council's agreed objectives. In order to provide this opinion, we are required to review annually the risk management and governance processes within North Devon District Council and on a cyclical basis, the operation of internal control systems within the organisation.

- 1.2 This report sets out the internal audit activity since the last Governance Committee meeting in June 2019 for North Devon District Council.

2. COMPLETION OF THE INTERNAL AUDIT PLAN

- 2.1 Appendix I details the 2019/20 Audit Plan and shows the status of work to date and the number of days delivered.

The following tables summarise progress against the plan:

Number of audits in plan	19	
Number of audits finalised	0	
Number of audits issued at draft	1	5%
Number of audits in progress	2	10%
Number of audits with agreed planned dates	0	
Number of audits to be planned	0	

- 2.2 We can report that 15% (based on the number of days in the plan excluding contingency) of the 2019/20 Operational Internal Audit Plan has been completed.
- 2.3 We have issued no final reports since the last Committee meeting.
- 2.4 Appendix II details the 2019/20 Audit recommendations for individual reports with a full or substantial overall opinion finalised since the last Governance Committee meeting. Recommendations with a priority rating of 2 are detailed in full, whilst those with a rating of 3 are not shown in detail. In addition, an overall audit opinion is given for each report. If we have issued a report with a limited overall opinion, the report is attached in full rather than summarised in Appendix II.

Management responses are only included where there is a substantial comment. Where management has accepted the recommendation this has not been included.

Significant Control Weaknesses 2019/20

- 2.5 Based on the work we have undertaken, there are no priority one recommendations to bring to the attention of the Governance Committee.

Performance of the Internal Audit Service

- 2.6 The following table details the Internal Audit service performance for the 2018/19 year measured against the key performance indicators set out in the Internal Audit Quality Plan.

No.	Performance indicator	Target	Actual
1.	A close out meeting to be held for each audit	100%	100%
2.	Average period between the close out meeting and issue of the draft report	10 days	
3.	Average period between the receipt of final management responses and issue of the final report	10 days	
4.	Average customer satisfaction score (measured by survey for each audit) – (Target is 80% or 4 or above) 5=Very good; 4=Good; 3=Satisfactory; 2=Poor; 1= Very poor	4	

3. Action Required

- 3.1 The Governance Committee is asked to note our progress report.

Appendix I – Progress against the Internal Audit Plan 2019/20

	Audit Title	Proposed Quarter	Planned Days	Anticipated Risk Level	Assurance	Priority One	Priority Two	Priority Three	Status
1.	Risk Management and Corporate Governance	Q4	10	Medium					
2.	Main Accounting System and Budgetary Control	Q3	12	High					
3.	Debtors	Q1	8	Medium					Draft Report
4.	Payroll	Q1	10	Medium					Fieldwork in progress
5.	Treasury Management	Q1	8	Medium					Fieldwork completed
6.	Council Tax and NNDR (including NNDR maximisation)	Q2	15	Medium					
7.	Housing Benefits	Q2	10	Medium					
8.	Human Resources	Q3	10	Medium					
9.	Housing Needs	Q3	10	Medium					
10.	New Housing Schemes	Q2	10	Medium					
11.	Building Control	Q3	10	Medium					
12.	IT Audit	Q4	22	High					
13.	CCTV	Q4	8	Medium					
14.	Contracts and Capital Expenditure	Q3	10	High					
15.	Performance Management	Q4	10	Medium					

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	Audit Title	Proposed Quarter	Planned Days	Anticipated Risk Level	Assurance	Priority One	Priority Two	Priority Three	Status
16.	Safeguarding	Q3	8	Low					
17.	Crematorium	Q4	3	Low					
18.	Follow Up	Q4	10	N/A					
19.	Contingency		0	N/A					
20.	Audit Management		22	N/A					
	Total		196			0	5	13	

Appendix II – Internal Audit Recommendations 2019/20

No reports finalised		
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Appendix III - Statement of Responsibility

We take responsibility to North Devon District Council for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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The Annual Audit Letter for North Devon District Council

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Year ended 31 March 2019
15 August 2019



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Contents



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Executive Summary

Purpose

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at North Devon District Council (the Council) for the year ended 31 March 2019.

This Letter is intended to provide a commentary on the results of our work to the Council and external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this Letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'. We reported the detailed findings from our audit work to the Council's Governance Committee as those charged with governance in our Audit Findings Report on 22 July 2019.

Respective responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council financial statements, we comply with International Standards on Auditing (UK) (ISAs) and other guidance issued by the NAO.

Our work

Materiality	We determined materiality for the audit of the Council's financial statements to be £1,153k, which is 2% of the Council's gross revenue expenditure.
Financial Statements opinion	We gave an unqualified opinion on the Council's financial statements on 31 July 2019.
Whole of Government Accounts (WGA)	Work is not required on the Council's consolidation return as the Council does not exceed the threshold.
Use of statutory powers	We did not identify any matters which required us to exercise our additional statutory powers.
Value for Money arrangements	We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources. We reflected this in our audit report to the Council on 31 July 2019.
Certification of Grants	We also carry out work to certify the Council's Housing Benefit subsidy claim on behalf of the Department for Work and Pensions. Our work on this claim is not yet complete and will be finalised by 30 November 2019. We will report the results of this work to the Governance Committee separately.
Certificate	We certified that we have completed the audit of the financial statements of North Devon District Council in accordance with the requirements of the Code of Audit Practice on 31 July 2019.

Executive Summary

Working with the Council

During the year we have delivered a number of successful outcomes with you:

- An efficient audit – we delivered an efficient audit with you in July.
- Understanding your operational health – through the value for money conclusion we provided you with assurance on your operational effectiveness.
- Sharing our insight – we provided regular audit committee updates covering best practice. We also shared our thought leadership reports
- Providing training – we provided your teams with training on financial statements.

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

Grant Thornton UK LLP
August 2019

Audit of the Financial Statements

Our audit approach

Materiality

In our audit of the Council's financial statements, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for the audit of the Council's financial statements to be £1,153k, which is 2% of the Council's gross revenue expenditure. We used this benchmark as, in our view, users of the Council's financial statements are most interested in where the Council has spent its revenue in the year.

We also set a lower level of specific materiality for senior officer remuneration of £50k.

We set a lower threshold of £58k, above which we reported errors to the Governance Committee in our Audit Findings Report.

The scope of our audit

Our audit involves obtaining sufficient evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the accounting policies are appropriate, have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the remainder of the financial statements and the narrative report and annual governance statement published alongside the financial statements to check it is consistent with our understanding of the Council and with the financial statements on which we gave our opinion.

We carry out our audit in accordance with ISAs (UK) and the NAO Code of Audit Practice. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the Council's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the Financial Statements

Significant Audit Risks

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of land and buildings</p> <p>The Authority revalues its land and buildings on a rolling five-yearly basis. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (over £80 million) and the sensitivity of this estimate to changes in key assumptions. Additionally, management will need to ensure the carrying value in the Authority's financial statements is not materially different from the current value or the fair value (for surplus assets) at the financial statements date, where a rolling programme is used.</p> <p>We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter.</p>	<p>As part of our audit work we have:</p> <ul style="list-style-type: none"> evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation expert and the scope of their work evaluated the competence, capabilities and objectivity of the valuation expert written to the valuer to confirm the basis on which the valuation was carried out challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding tested revaluations made during the year to see if they had been input correctly into the Authority's asset register evaluated the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end. Challenged the indices and assumptions used to review the fair value of other land and buildings and investment properties for the intervening period between the valuation date and the balance sheet date which is an 11 month time frame. 	<p>Our work identified that the fair value review has been undertaken between the formal revaluation date and the year end, but the original review had insufficient evidence to support the work carried out to arrive at the conclusion. A further evidenced review has been carried out that has enabled us to gain the required assurance over the fair value of the asset values at the balance sheet date. We recommended improvements for this process in 2019/20 in the action plan.</p> <p>The Council currently revalues its land and buildings as at 1 April each year as part of a rolling 5 year programme. We recommend that the Council changes its valuation date to 31 March – the balance sheet date.</p>

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Audit of the Financial Statements

Significant Audit Risks - continued

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of net pension liability</p> <p>The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£61.7 million in the Authority's balance sheet) and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the Authority's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter.</p>	<p>As part of our audit work we have:</p> <ul style="list-style-type: none"> updated our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluate the design of the associated controls evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work assessed the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation assessed the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability and assessing how management have challenged assumptions made by the actuary, including the impact of the Brexit decision on the pension fund investments. tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report obtained assurances from the auditor of Devon Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements. considered the Council's arrangements in respect of the McCloud judgement and undertaken procedures to confirm the reasonableness of the actuary's estimate of the potential impact on the Council 	<p>Our work concluded that the actuary's estimate of £1,039k for the McCloud judgement should be adjusted for in the accounts. The Council opted not to adjust the accounts as it was not material.</p>

Audit of the Financial Statements

Significant Audit Risks - continued

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Management override of internal controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>As part of our audit work we;</p> <ul style="list-style-type: none"> evaluated the design effectiveness of management controls over journals analysed the journals listing and determine the criteria for selecting high risk unusual journals tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration gained an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. 	<p>Our audit work did not identify any issues in relation to management override of controls.</p>

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Audit of the Financial Statements

Audit opinion

We gave an unqualified opinion on the Council's financial statements on 31 July 2019.

Preparation of the financial statements

The Council presented us with draft financial statements in accordance with the national deadline, and provided a good set of working papers to support them. The finance team responded promptly and efficiently to our queries during the course of the audit.

Issues arising from the audit of the financial statements

We reported the key issues from our audit to the Council's Governance Committee on 22 July 2019. A final updated Audit Findings Report was issued to Governance Committee members on 31 July 2019..

Annual Governance Statement and Narrative Report

We are required to review the Council's Annual Governance Statement and Narrative Report. It published them on its website alongside the Statement of Accounts in line with the national deadlines.

Both documents were prepared in line with the CIPFA Code and relevant supporting guidance. We confirmed that both documents were consistent with the financial statements prepared by the Council and with our knowledge of the Council.

Whole of Government Accounts (WGA)

We issued an assurance statement which confirmed the Council was below the audit threshold.

Certificate of closure of the audit

We certified that we have completed the audit of the financial statements of North Devon District in accordance with the requirements of the Code of Audit Practice on 31 July 2019.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice, following the guidance issued by the NAO in November 2017 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the risks where we concentrated our work.

The risks we identified and the work we performed are set out overleaf.

As part of our Audit Findings report agreed with the Council in July 2019, we agreed recommendations to address our findings.

Overall Value for Money conclusion

We are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2019.

Value for Money conclusion

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Financial sustainability</p> <p>The Council has recently refreshed its Medium Term Financial Strategy (MTFS). This shows a cumulative budget gap of £666k by 2022/23</p>	<p>We reviewed the Council's latest MTFS, including the assumptions and the savings plans reflected within in it. We also considered the projected savings from the 21:21 Programme.</p> <p>The 2019/20 Budget and latest MTFS 2019/20-2022/23 were approved by Council in February 2019. The Council has got a robust strategic financial planning process in place, which is consulted on and involves members. Planning assumptions are reported as part of the decision making process and the Medium Term Financial Strategy (MTFS) is subject to regular review to reflect changing events. The assumptions included within the detailed MTFS have been considered and appear reasonable and based on the latest information available to the Council.</p> <p>The MTFS runs through to 2022/23, showing a budget gap of £666k over the 2020/21 to 2022/23 period. The MTFS already identifies potential schemes to bridge the gap but has not included them at this time as they are subject to further assessment and Council approval.</p>	<p>The Council's MTFS shows a budget gap of £666k over the 2019/20 to 2022/23 period.</p> <p>The Council have already identified potential schemes to bridge the gap.</p> <p>On that basis we concluded that the risk was sufficiently mitigated and the Council has proper arrangements in place for planning finances effectively to support the sustainable delivery of strategic priorities and using appropriate cost and performance information to support informed decision making.</p>

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Value for Money conclusion (continued)

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>21:21 Programme</p> <p>The 21:21 Transformation Programme is a significant project for the Council and is critical to the way it will deliver its services in the medium term.</p>	<p>We reviewed the progress being made on this key project for the Council, which cuts across the VFM sub-criteria. We also considered the savings achieved against those originally planned.</p> <p>21:21 is the Council's transformation programme and encompasses all of the projects the Council is progressing to change the way it delivers services and achieve savings, which is now in Phase 2. The core themes of the Programme are:</p> <ul style="list-style-type: none"> - Leaning and transformation of processes - One Site - Improve Waste and Recycling Service - Income Generation <p>Following our recommendation last year, the Quarterly Performance and Financial Management Reports now include updates on the 21:21 programme, which pick up on particular developments. While there are also progress updates to members there is no formal reporting on the progress of the Programme as a whole.</p>	<p>The Council is making good progress with its 21:21 Programme and we do not consider that this is an issue that impacts on our VFM conclusion.</p> <p>However, the Council should further develop its reporting arrangements to ensure that there is regular reporting to members on the Programme as a whole. This should include details of whether schemes are delivering the savings that had been projected.</p>

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A. Reports issued and fees

We confirm below our final reports issued and fees charged for the audit and provision of non-audit services.

Reports issued

Report	Date issued
Audit Plan	February 2019
Audit Findings Report	July 2019
Annual Audit Letter	August 2019

Fees

	Planned fees £	Actual fees £	2017/18 fees £
Statutory audit	36,499	36,499	47,401
Additional fees	-	4,500	-
Total fees	36,499	40,999	47,401

Audit fee variation

As outlined in our audit plan, the 2018-19 scale fee published by PSAA of £36,499 assumes that the scope of the audit does not significantly change. There are a number of areas where the scope of the audit has changed, which has led to additional work. These are set out in the table opposite.

Additional fees

Area	Reason	Fee proposed
Assessing the impact of the McCloud ruling	The Government's transitional arrangements for pensions were ruled discriminatory by the Court of Appeal last December. The Supreme Court refused the Government's application for permission to appeal this ruling. As part of our audit we have reviewed the revised actuarial assessment of the impact on the financial statements along with any audit reporting requirements.	£1,500
Pensions – IAS 19	The Financial Reporting Council has highlighted that the quality of work by audit firms in respect of IAS 19 needs to improve across local government audits. Accordingly, we have increased the level of scope and coverage in respect of IAS 19 this year to reflect this.	£1,500
PPE Valuation – work of experts	As above, the Financial Reporting Council has highlighted that auditors need to improve the quality of work on PPE valuations across the sector. We have increased the volume and scope of our audit work to reflect this.	£1,500
Total		£4,500

Fee variations are subject to PSAA approval.

A. Reports issued and fees continued

We confirm below our final reports issued and fees charged for the audit and provision of non-audit services.

Fees for non-audit services

Service	Fees £
Audit related services	
- Certification of Housing Benefit	21,253
Non-Audit related services	
None	Nil

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Non-audit services

- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The table above summarises all non-audit services which were identified.
- We have considered whether non-audit services might be perceived as a threat to our independence as the Council's auditor and have ensured that appropriate safeguards are put in place.

The above non-audit services are consistent with the Council's policy on the allotment of non-audit work to your auditor.

Our commitment to our local government clients

- Senior level investment
- Local presence enhancing our responsiveness, agility and flexibility.
- High quality audit delivery
- Collaborative working across the public sector
- Wider connections across the public sector economy, including with health and other local government bodies
- Investment in Health and Wellbeing, Social Value and the Vibrant Economy
- Sharing of best practice and our thought leadership.
- Invitations to training events locally and regionally – bespoke training for emerging issues
- Further investment in data analytics and informatics to keep our knowledge of the areas up to date and to assist in designing a fully tailored audit approach

Our relationship with our clients– why are we best placed?

- We work closely with our clients to ensure that we understand their financial challenges, performance and future strategy.
- We deliver robust, pragmatic and timely financial statements and Value for Money audits
- We have an open, two way dialogue with clients that support improvements in arrangements and the audit process
- Feedback meetings tell us that our clients are pleased with the service we deliver. We are not complacent and will continue to improve further
- Our locally based, experienced teams have a commitment to both our clients and the wider public sector
- We are a Firm that specialises in Local Government, Health and Social Care, and Cross Sector working, with over 25 Key Audit Partners, the most public sector specialist Engagement Leads of any firm
- We have strong relationships with CIPFA, SOLCAE, the Society of Treasurers, the Association of Directors of Adult Social Care and others.

New opportunities and challenges for your community

The Local Government economy

Local authorities face unprecedented challenges including:

- Financial Sustainability – addressing funding gaps and balancing needs against resources
- Service Sustainability – Adult Social Care funding gaps and pressure on Education, Housing, Transport
- Transformation – new models of delivery, greater emphasis on partnerships, more focus on economic development
- Technology – cyber security and risk management

At a wider level, the political environment remains complex:

- The government continues its negotiation with the EU over Brexit, and future arrangements remain uncertain.
- We will consider your arrangements for managing and reporting your financial resources as part of our work in reaching our Value for Money conclusion.
- We will keep you informed of changes to the financial reporting requirements for 2018/19 through on-going discussions and invitations to our technical update workshops.

Delivering real value through:

- Early advice on technical accounting issues, providing certainty of accounting treatments, future financial planning implications and resulting in draft statements that are 'right first time'
- Knowledge and expertise in all matters local government, including local objections and challenge, where we have an unrivalled depth of expertise.
- Early engagement on issues
- Implementation of our recommendations have resulted in demonstrable improvements in your underlying arrangements, for example accounting for unique assets, financial management, reporting and governance.
- Robust but pragmatic challenge – seeking early liaison on issues, and having the difficult conversations early to ensure a 'no surprises' approach – always doing the right thing
- Providing regional training and networking opportunities for your teams on technical accounting issues and developments and changes to Annual Reporting requirements
- An efficient audit approach, providing tangible benefits, such as releasing finance staff earlier and prompt resolution of issues.

Grant Thornton in Local Government

Our client base and delivery

- We are the largest supplier of external audit services to local government
- We audit over 150 local government clients
- We signed 95% of our local government opinions in 2017/18 by 31 July
- In our latest independent client service review, we consistently score 9/10 or above. Clients value our strong interaction, our local knowledge and wealth of expertise.

Our connections

- We are well connected to MHCLG, the NAO and key local government networks
- We work with CIPFA, Think Tanks and legal firms to develop workshops and good practice
- We have a strong presence across all parts of local government including blue light services
- We provide thought leadership, seminars and training to support our clients and to provide solutions

Our people

- We have over 25 engagement leads accredited by ICAEW, and over 250 public sector specialists
- We provide technical and personal development training
- We employ over 80 Public Sector trainee accountants

Our quality

- Our audit approach complies with the NAO's Code of Audit Practice, and International Standards on Auditing
- We are fully compliant with ethical standards

Our technical support

- We have specialist leads for Public Sector Audit quality and technical
- We provide national technical guidance on emerging auditing, financial reporting and ethical areas
- Specialist audit software is used to deliver maximum efficiencies



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Audit Progress Report and Sector Update

North Devon District Council
Year ending 31 March 2019

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September 2019



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Introduction



Geraldine Daly

Engagement Lead

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

The paper also includes a summary of emerging national issues and developments that may be relevant to you as a local authority.

Members of the 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. Click on the Grant Thornton logo to be directed to the website www.grant-thornton.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.

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Mark Bartlett

Engagement Manager

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PSAA Contract Monitoring

North Devon District Council opted into the Public Sector Audit Appointments (PSAA) Appointing Person scheme which starts with the 2018/19 audit. PSAA appointed Grant Thornton as auditors. PSAA is responsible under the Local Audit (Appointing Person) Regulations 2015 for monitoring compliance with the contract and is committed to ensuring good quality audit services are provided by its suppliers. Details of PSAA's audit quality monitoring arrangements are available from its website, www.psaa.co.uk.

Our contract with PSAA contains a method statement which sets out the firm's commitment to deliver quality audit services, our audit approach and what clients can expect from us.

Progress at 16 August 2019

2018/19

Our audit of the 2018/19 financial statements is now complete. Our Audit Findings Report was discussed with the Governance Committee on 22 July 2018, with a final updated version being issued on 31 July 2019.

We made a number of recommendations to management within our Audit Findings Report which we will follow up as part of our 2019/20 audit planning.

We have issued all our deliverables for the statutory 2018/19 audit (see page 5). The Housing Benefit certification work is due to commence in September.

2019/20

We will now begin to look to the 2019/20 financial year and begin our planning processes for the audit.

Our formal work will begin later in the year and in the meantime we will:

- continue to have regular discussions with management to inform our risk assessment for the 2019/20 financial and value for money audits
- review board papers and latest financial and operational performance reports

Other areas

Certification of claims and returns

We certify the Council's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the Department for Work and Pensions. This certification work for the 2018/19 claim will be concluded by 30 November 2019.

Meetings

We meet with the Chief Executive/Head of Paid Service and Head of Resources as part of our regular liaison meetings, with our most recent meeting being in April 2019, 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.

Audit Deliverables

2018/19 Deliverables	Planned Date	Status
Fee Letter Confirming audit fee for 2018/19.	April 2018	Complete
Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2018-19 financial statements.	February 2019	Complete
Interim Audit Findings We will report to you the findings from our interim audit and our initial value for money risk assessment within our Progress Report.	June 2019	Complete
Audit Findings Report The Audit Findings Report will be reported to the July Audit Committee.	July 2019	Complete
Auditor's Report This is the opinion on your financial statement, annual governance statement and value for money conclusion.	July 2019	Complete
Annual Audit Letter This letter communicates the key issues arising from our work.	August 2019	Complete
Annual Certification Letter This letter reports any matters arising from our certification work carried out under the PSAA contract.	December 2019	Not yet due

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NORTH DEVON DISTRICT COUNCIL

REPORT TO: GOVERNANCE COMMITTEE

Date: 3rd September 2019

TOPIC: AUDIT RECOMMENDATION TRACKER

REPORT BY: HEAD OF CORPORATE AND COMMUNITY SERVICES

1 Introduction

- 1.1 This is the regular progress report to the Committee in relation to action taken to address internal and external audit recommendations.

2. Recommendations

- 2.1 That the Committee note the actions that have been taken to address identified risks since the 22nd July Governance Committee meeting.
- 2.2 That the Committee raises any areas of concern arising from the list of outstanding recommendations.

3. Reasons for Recommendations

- 3.1 To give assurance to the Committee that audit recommendations are being actively managed, and to give the Committee a full opportunity to review any areas of concern.

4. Report

- 4.1 SMT has reviewed the high and medium risk audit recommendations to assess progress and instigate any required actions.
- 4.2 Since the last meeting the number of recommendations now tracked has remained at 1,195.

Table A) Live Audit Reports, Status & Numbers

Code	Title	Status	Progress	High Risk	Medium Risk	Low Risk
14 AP	Action Plan 2013/14	In Progress	92%	0	1	1
14 E&D	Equality & Diversity 2013/14	Overdue	86%	0	1	2
15 DR	Disaster Recovery 2015/16	In Progress	89%	0	6	0
15 HN (CBL)	Housing Needs (Choice Based Lettings) 2015/16	In Progress	80%	0	1	0
15 PSR (DFG)	Private Sector Renewal (Disability Facilities Grants) 2015/16	In Progress	90%	0	1	2
16 BCM	Business Continuity Management 2015/16	In Progress	93%	0	8	1
16 HN (CBL)	Housing Needs (Choice Based Lettings) 2016/17	In Progress	85%	0	0	5
16 PL	Planning Applications 2015/16	In Progress	91%	0	3	0
16 SP	Severance Packages 2015/16	In Progress	50%	0	1	1
17 ITAM	IT Asset Management 2016/17	In Progress	87%	1	6	0
17 C&P	Commissioning and Procurement 2017/18	In Progress	66%	0	2	1
17 CS	Cyber Security 2016/17	In Progress	78%	0	3	3
17 SRR	Security Review Report 2017/18	In Progress	95%	4	5	0
17 L	Licencing 2017/18	In Progress	75%	0	1	3
17 G	Grants 2017/18	In Progress	85%	0	2	5
17 PO	Parking Operations 2017/18	In Progress	75%	0	2	0
18 CC	Cash Collection	In Progress	50%	0	0	1
19 E&ES	Email & Exchange Server 2018/19	In Progress	66%	0	3	1
19 GDPR	General Data Protection Regulations 2018/19	In Progress	49%	0	0	7
19 MAS & BC	Main Accounting System and Budgetary Control 2018/19	In Progress	50%	0	0	1

Table B: Audit recommendations setting completed since the last Audit Committee

Recommendation	Closure Note	Original Due Date	Completed Date
15 AGS 08 Complete audit recommendations to comply with agreed deadlines	The Audit Recommendation Tracker provides a clear audit trail of how well services are delivering against their audit recommendations. Where extension to time is requested this is approved by Governance Committee. Therefore this action is now business as usual.	31-Mar-2016	20-Aug-2019

Table C: Outstanding Audit Recommendations where Head of Service have requested a revision to the due date

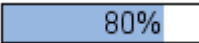
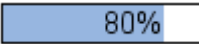
Code	Description	Progress	Latest Note	Original Due Date	Due Date
E&D 01 Joint Inclusive Equality Scheme Action Plan	The Joint Inclusive Equality Scheme Action Plan should be updated to reflect the current position in respect of the achievements of set targets and outcomes.		New policy now drafted and will be adopted very shortly. New EIA forms being developed to sit alongside the policy. Launch will be through Managers' Forum. Request revised due date: 31st October 2019	31-Dec-2014	31-Jul-2019
14 E&D 02 Equality and Diversity website update	The Council's staff intranet and public webpages in respect of Equality and Diversity should be updated as some of the information contained within is not fully current and also some information which is no longer relevant. The Council's published list of Equality Impact and Needs Assessments.		New policy now drafted and will be adopted very shortly. New EIA forms being developed to sit alongside the policy. Launch will be through Managers' Forum. Request revised due date: 31st October 2019	31-Dec-2014	31-Jul-2019

Table D: Outstanding Audit Recommendations

Code	Description	Progress	Latest Note	Original Due Date	Due Date
NONE					

5. Progress tracking of Annual Governance Statement

5.1 An annual review of NDC's governance arrangements leads to the Annual Governance Statement, which forms part of the Statement of Accounts.

5.2 In addition to any other issues the review captures recommendations from external and internal audit and inspections and sets out an action plan. This plan is tracked through Covalent.

2013/14 AGS action plan is 93 % complete

6. Constitution Context


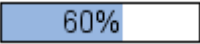
Appendix and paragraph	Referred or delegated power?
5.5	Delegated

7. Statement of Internal Advice

7.1 The author (below) confirms that advice has been taken from all appropriate Councillors and officers.

Author: Sarah Higgins Date: 21st August 2019
Reference: Audit Recommendation Report September 2019 V.1.1

Table E: Annual Governance Statement

Code	Description	Status	Progress Bar	Latest Note	Original Due Date	Due Date
14 AGS 02 Page 114	Review & update the IT Disaster Recovery Plan	 In Progress		Extension of Time Request extended to 31 st March 2020 approved by Governance Committee 11 th June 2019. The Business Continuity Recommendations have last month (April 19) confirmed which services they have established are priority services for recovery. ICT await absolute confirmation that these are now the priorities. ICT will then review these and advise SMT/Governance what our currently recovery capabilities are and what further mitigation would be required to achieve these recovery points. This will require a revised back-up model either on-premise, in the cloud or a hybrid approach. ICT will also consider Disaster Recovery as a Service (DRaaS) which would also provide x2 DR Test Plans a year. ICT also have an approved Cyber Incident Response Plan.	31-Mar-2015	31-Mar-2020

Governance Committee Work Programme 2019/20

This work programme provides structure for the Audit Committee to ensure it receives reports and updates at the appropriate meetings throughout the year. It is reviewed and updated at each committee meeting.

	Jun 2019	Jul 2019	Sep 2019	Nov 2019	Jan 2020	Mar 2020
North Devon Council items						
Review of the Committee's Terms of Reference						
Annual Review of the Committee's effectiveness (JT)						
Half Yearly Report from the Chair of the Governance Committee (KJ).			Sept each year			March each year
Annual Governance Statement						
Statement of Accounts						
Letter of Representation (JT)						
Compensation payments made under delegated powers. (Claire H)						
Corporate Risk Register (SH)						
Major changes to Accounting Policies Management procedures to be reported by the Head of Resources						
Update on Governance Arrangements						
21:21 Phase 2 Report (KM)						
Update on Business Continuity						

	Jun 2019	Jul 2019	Sep 2019	Nov 2019	Jan 2020	Mar 2020
Internal Auditor items						
Internal Audit Annual report			Moved from June 2019			
Internal Audit Strategy and Plan						
Internal Audit Charter						
Internal Audit Progress Report						
External Auditor items						
External Audit - Fee Letter						
External Audit - Findings Report						
External Audit - Annual Audit Letter						
External Audit - Plan						
Certification Work Report						
External Audit - Progress Report and Sector Update		Unavailable				
Standing Items						
Audit Recommendation Tracker						
Work Programme						

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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