

Public Document Pack

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A meeting of **Corporate Governance & Audit Committee** will be held in Committee Room 2, East Pallant House on **Tuesday 22 March 2016 at 9.30 am**

MEMBERS: Mrs P Tull (Chairman), Mr G Hicks (Vice-Chairman), Mr G Barrett, Mr I Curbishley, Mr T Dempster, Mrs N Graves, Mrs P Hardwick, Mr F Hobbs, Mr P Jarvis, Mr S Morley, Mr P King (Auditors) and Mr M Young (Auditors)

AGENDA

- 1 **Chairman's Announcements**
Any apologies for absence that have been received will be noted at this point.
- 2 **Approval of Minutes** (Pages 1 - 4)
The committee is requested to approve the minutes of its ordinary meeting on 19 January 2016.
- 3 **Urgent items**
The chairman will announce any urgent items that due to special circumstances are to be dealt with under the Late Items agenda item.
- 4 **Declarations of Interest**
These are to be made by members of the Corporate Governance and Audit Committee or other Chichester District Council members present in respect of matters on the agenda for this meeting.
- 5 **Public Question Time**
The procedure for submitting public questions in writing by no later than 12:00 on Monday 21 March 2016 is available upon request to Member Services (the contact details for which appear on the front page of this agenda).
- 6 **Certification of Claims and Returns Annual Report** (Pages 5 - 14)
The committee is requested to consider and note this report.
- 7 **Audit Plan 2015/16 Progress report** (Pages 15 - 32)
The committee is requested to consider and note this report.
- 8 **Accounting Policies** (Pages 33 - 35)
That the amendments to the Accounting Policies shown in Appendix 1 be formally adopted for the financial year ended 31 March 2016.
- 9 **Budget Carry Forward Requests** (Pages 36 - 38)
The committee is requested to recommend that Cabinet approves the requests totalling £88,600 for budgets to be carried forward in 2016-17.
- 10 **Strategic and Operational Risks** (Pages 39 - 68)
The committee is requested to note a) the current strategic risk register and the internal controls in place plus any associated action plans to manage those risks

and b) the high scoring organisational risks and the mitigation actions in place, and to raise any issues or concerns.

11 **Internal Audit - Audit Plan Progress** (Pages 69 - 74)

The committee is requested to consider and note the Audit Report, the 2016/17 Audit Plan and progress against the 2015/16 Audit Plan.

12 **Exclusion of the Press and Public**

There are no restricted items for consideration. However, the document listed below includes information which is considered to be exempt under Paragraph 3 of Schedule 12A of the Local Government Act 1972 and **is attached for members of the Cabinet and senior officers only (salmon paper)**.

10. **Strategic and Operational Risks**

Appendix 1 – Strategic Risk Register March 2016

13 **Late items**

The committee will consider any late items as follows:

- a) Items added to the agenda papers and made available for public inspection
- b) Items that the chairman has agreed should be taken as a matter of urgency by reason of special circumstances to be reported at the meeting

NOTES

1. The press and public may be excluded from the meeting during any item of business wherever it is likely that there would be disclosure of “exempt information” as defined in section 100A of and Schedule 12A to the Local Government Act 1972.
2. The press and public may view report appendices which are not included with their copy of the agenda on the Council’s website unless these contain exempt information.
3. Restrictions have been introduced on the distribution of paper copies of supplementary information circulated separately from the agenda as follows:
 - a) Members of the Corporate Governance & Audit Committee, the Cabinet and Senior Officers receive paper copies of the supplements (including appendices). Other members may request a copy of the supplementary information or a copy is available in the Members’ Room, East Pallant House.
 - b) The press and public may view this information on the Council’s website at [Chichester District Council - Minutes, agendas and reports](#) unless they contain exempt information.
4. Subject to the provisions allowing the exclusion of the press and public, the photographing, filming or recording of this meeting from the public seating area is permitted. To assist with the management of the meeting, anyone wishing to do this is asked to inform the chairman of the meeting of their intentions before the meeting starts. The use of mobile devices for access to social media is permitted, but these should be switched to silent for the duration of the meeting. Those undertaking such activities must do so discreetly and not disrupt the meeting, for example by oral commentary, excessive noise, distracting movement or flash photography. Filming of children, vulnerable adults or members of the audience who object should be avoided. (Standing Order 11.3)



Minutes of the meeting of the **Corporate Governance & Audit Committee** held in Committee Room 2 - EPH on Tuesday 19 January 2016 at 9.30 am

Members Present: Mrs P Tull (Chairman), Mr G Hicks (Vice-Chairman), Mr G Barrett, Mr I Curbishley, Mrs N Graves, Mrs P Hardwick, Mr P Jarvis and Mr S Morley

Members not present: Mr T Dempster and Mr F Hobbs

In attendance by invitation: Mr M Young (Ernst & Young LLP)

Officers present: Mr M Allgrove (Planning Policy Conservation and Design Service Manager), Mrs K Dower (Principal Planning Policy Officer (Infrastructure Planning)), Mr S James (Principal Auditor), Mrs B Jones (Principal Scrutiny Officer) and Mr J Ward (Head of Finance and Governance Services)

43 **Chairman's Announcements**

Apologies had been received from Mr T Dempster and Mr F Hobbs.

44 **Approval of Minutes**

Mrs Tull referred to minute 33 and advised that an update on the housing benefit and council tax benefit claims would be reported to the next meeting in March. The query raised at the last meeting regarding the Boxgrove contributions at Halnaker would also be answered at the next meeting.

The minutes of the meeting held on 12 November 2014 were agreed and signed by the Chairman as a correct record.

45 **Urgent items**

There were no urgent items.

46 **Declarations of Interest**

There were no declarations of interest.

47 **Public Question Time**

No public questions had been received.

48 **New Value for Money Conclusion Guidance for 2015-16**

The committee considered the slides in the agenda (copy attached to the official minutes).

Mr M Young Audit Manager, Ernst & Young LLP (EY) explained the requirements of the Value for Money Code of Audit Practice 2015. The following comments were made:

- The most significant change in audit practice is in redefining the criteria and sub-criteria. EY needs to ask questions from a slightly different perspective. The National Audit Office had aligned the sub-criteria with procedures which are already in place in local authorities so there are no additional requirements.
- The potential significant risk of major outsourcing, such as Leisure, will be taken into account when planning the 2016-17 audit.
- If EY makes an incorrect judgement they have a lessons learned process to ensure that it does not happen again

RESOLVED

That the report be noted.

49 Audit Progress Report

The committee considered a report by EY (copy attached to the official minutes).

Mr Young Audit Manager EY shared the timetable of the proposed audit of the 2015-16 financial statements and advised that the 2016-17 audit plan would be brought to the committee at their next meeting in March 2016, along with the certification report.

RESOLVED

That the report be noted.

50 Implementation of CIL including Revised S106 and CIL Protocol

The committee considered a report by the Principal Planning Policy Officer Infrastructure Planning (copy attached to the official minutes). The Planning Policy Conservation and Design Service Manager attended to take questions.

Members considered that the following points in the Protocol required clarification and/or rewording:

- Define CIL in full in the initial box.
- Amend the last paragraph on page 31 to read 'CIL will eventually replace many of the existing S106 planning obligation arrangements.
- Para 16 – reword this para to include 'with the agreement of the other party to the agreement'.

- Para 22 should spell out that interest is invested in interest bearing accounts and ring fenced for the project on which it is to be spent with respect to S106 and for infrastructure in general with respect to CIL.
- Amend the third bullet point under para 23 to read ‘non receipt of payments or non-financial contributions by developers’
- Para 29 amended to explain this point more clearly;
- Para 40 amended to clarify that it should be ‘the relevant service’ Cabinet Member
- Amend para 45 with a comma after Authority and before CIL
- Para 46 – amend to read ‘.... Committee will monitor the effectiveness of this protocol and....’

With the agreement of the Chairman, Mr Oakley requested clarification as to whether the Council had authority to claw back monies which had been passed to other bodies for projects which are subsequently not progressed. Officers advised that there were service level agreements or contracts with these organisations and the Council’s role was to ensure that if the money is not spent within timescales that it is returned. Some projects involve monies from a number of sources or are sub-contracted to builders. These projects will be monitored regularly for progress.

Mrs Hardwick queried whether the new Planning Officer role, created to assist in the collection and administration of CIL, should be a financial role sitting within the Accountancy team. Mr Ward advised that it was something that officers looked at but it was felt that the close working relationship was with planning officers regarding information from planning documents, liaising with developers on trigger dates etc. and occasionally the need for enforcement. He considered that on balance this role sits within the planning team.

RESOLVED

1. That the Revised S106 and CIL Protocol be approved.
2. That the planned actions to ensure the successful implementation of CIL on 1 February 2016 following its anticipated adoption by Council be noted.
3. That delegated authority be granted to the Head of Planning Services to make typographical and other minor amendments prior to publication following consultation with the Cabinet Member for Housing and Planning.

51 Budget Task and Finish Group feedback

Mr Ward gave an oral report on the considerations of the Budget Review Task and Finish Group.

The amount of Revenue Support Grant (RSG) we will receive is worse than predicted. Those authorities who run out of Revenue Support Grant (RSG) will still have to contribute by way of negative RSG. Our New Homes Bonus (NHB) grant has been confirmed for 2016-17 and is more than anticipated.

The authority does not rely on NHB to resource the base budget and therefore we are in a better position than some of our neighbours. The Government has proposed to reduce the pot significantly to sharpen the incentive to increase development. Payments would be withheld on planning applications which were subsequently agreed on appeal.

The Government has issued a consultation document – the provisional Local Government Finance Settlement 2016/17 - and an offer to councils for future years. The Government is not proposing a Council Tax freeze grant in 2016/17. The cap of 2% on a Council Tax increase before a referendum is required, however low taxing authorities such as Chichester can put in place an increase of £5 which equates to 3.5%.

If there is a decision to outsource Leisure and to increase Council Tax it is likely that the Council will balance its budget for the next four years.

A full submission will be prepared on the consultation document which is due in March 2016.

RESOLVED

That the oral report be noted.

52 Internal Audit - Audit Plan Progress

Mr James introduced the reports for Project Management, Building Control and the Housing Register. No questions were raised concerning these audits. Mr James also advised members that at the last meeting he had informed the committee that there were five audit reports to be considered at this meeting, however two reports were currently being reviewed and would be presented to the next meeting of the committee.

RESOLVED

1. That progress against the Audit Plan be noted.
2. That the audit reports for Project Management, Building Control and the Housing Register be noted.

The meeting ended at 10.52 am

CHAIRMAN

Date:

Certification of claims and returns annual report 2014-15

Chichester District Council

January 2016

Ernst & Young LLP



Building a better
working world

The Members of the Corporate Governance and Audit Committee
Chichester District Council
East Pallant House
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Chichester
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PO19 1TY

11 January 2016

Ref: CDC/Claims/2014-15

Direct line: 0118 928 1556

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Dear Members

Certification of claims and returns annual report 2014-15 for Chichester District Council

We are pleased to report on our certification work. This report summarises the results of our work on Chichester District Council's 2014-15 claims.

Scope of work

Local authorities claim large sums of public money in grants and subsidies from central government and other grant-paying bodies and must complete returns providing financial information to government departments. In some cases these grant-paying bodies and government departments require appropriately qualified auditors to certify the claims and returns submitted to them.

Under section 28 of the Audit Commission Act 1998, as transitionally saved, the Audit Commission made arrangements for certifying claims and returns in respect of the 2014-15 financial year. These arrangements required only the certification of the housing benefits subsidy claim. In certifying this we followed a methodology determined by the Department for Work and Pensions and did not undertake an audit of the claim.

Statement of responsibilities

The Audit Commission's 'Statement of responsibilities of grant-paying bodies, authorities, the Audit Commission and appointed auditors in relation to claims and returns' (statement of responsibilities) applied to this work. It serves as the formal terms of engagement between ourselves as your appointed auditor and the Council as audited body.

This report is prepared in the context of the statement of responsibilities. It is addressed to those charged with governance and is prepared for the sole use of the Council. As appointed auditor we take no responsibility to any third party.

Summary

Section 1 of this report outlines the results of our 2014-15 certification work and highlights the significant issues.

We checked and certified the housing benefits subsidy claim with a total value of £37,816,281. We met the submission deadline. Our initial work identified a number of errors. As a result further testing needed to be undertaken by the Council and reviewed by us. We reported the results of our initial and additional testing in a qualification letter and made a number of low value amendments to the certified return. Details of the qualification matters are included in section 2.



Fees for certification work are summarised in section 2. The fees for 2014-15 were published by the Audit Commission on 27 March 2014 and are now available on the Public Sector Audit Appointments Ltd (PSAA's) website (www.psaa.co.uk)

We welcome the opportunity to discuss the contents of this report with you at the 22 March 2016 meeting of the Corporate Governance & Audit Committee.

Yours faithfully

Paul King
Executive Director
Ernst & Young LLP
Enc

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Housing benefits subsidy claim

Scope of work	Results
Value of claim presented for certification	£37,819,916
Amended/Not amended	Amended
Qualification letter	Yes
Fee – 2014-15	£13,217
Fee – 2013-14	£13,609

Recommendations from 2013-14	Findings in 2014-15
1. Improve the control environment for the assessment of benefit. In particular ensure that income is assessed correctly in the determination of benefit entitlement and that the assessment made is supported by sufficient and appropriate evidence.	Fewer errors of a lower value were identified in this area in 2014-15 compared to the previous year. However, similar errors were again detected and reported in our qualification letter and the Council needs to continue to ensure that income is consistently assessed correctly in the determination of benefit entitlement and that the assessment made is supported by sufficient and appropriate evidence.
2. Ensure that any additional testing undertaken to support the audit of the 2014-15 Housing Benefit Claim is clearly documented and properly supported by evidence.	In 2014-15, we provided schedules to be completed for any additional testing required to ensure that the work performed was documented and supported. These were completed by Housing Benefits staff.

Local Government administers the Government's housing benefits scheme for tenants and can claim subsidies from the Department for Work and Pensions (DWP) towards the cost of benefits paid.

The certification guidance requires auditors to complete more extensive '40+' testing (extended testing) if initial testing identifies errors in the calculation of benefit or compilation of the claim. We found errors and carried out further testing in two areas:

- ▶ the incorrect uprating of state retirement benefit; and
- ▶ the incorrect calculation of self-employed income in the determination of benefit entitlement.

These issues are considered more fully below.

Extended '40+' testing and other testing identified a number of further errors. We have reported underpayments, uncertainties and the extrapolated value of overpayment errors to the DWP in a qualification letter. It should be noted that, under the approach to housing benefit work agreed between the DWP and the Audit Commission, no concept of materiality is applied and we must report any errors irrespective of size or whether the Council makes complete amendments to the claim where it is able to do so. The following are the main issues that we included in our qualification letter.

Uprating of statutory maternity pay

In 2013-14 we identified that statutory maternity pay was not being uprated correctly in all cases. As a result the Council tested all 24 cases where claimants had entitlement to statutory maternity pay during 2014-15. For nine cases statutory maternity pay had not been correctly stated. This resulted in total overpayments of £214.35 and total underpayments of

£614.51. We made no adjustments to the claim in respect of this finding but have ensured that corrections have been made to affected cases in 2015-16.

Non-HRA rent rebates

Our initial testing identified:

- ▶ one case where the rent account had not been set up. This type of error could only result in an underpayment of entitlement to benefit and therefore no further work was undertaken; and
- ▶ five cases where the overpayment of benefit had been understated. There was no impact on entitlement to benefit to the claimant or subsidy claimed as a result of this error, therefore no further work was undertaken.

Rent allowances

Our initial testing identified:

- ▶ four cases where the claim form could not be traced and the Council was unable to provide evidence that these claim forms were received. This was due to the original claim forms, which pre-dated 2006, being destroyed in a fire at the Council's archive storage. We did not undertake any further testing in respect of this issue as we are able to conclude that all claim forms received prior to 2006 were destroyed in the fire;
- ▶ two cases where State Retirement Pension (SRP) had been incorrectly uprated. This resulted in both underpayment and overpayment of benefit; and
- ▶ one case where self-employed income had been incorrectly calculated, resulting in an overpayment of benefit.

Incorrect uprating of State Retirement Pension

As a result of the issues resulting in a potential overpayment of benefit an additional sample of 40 cases was tested to determine whether SRP used in the calculation of benefit was correctly uprated. Testing of the additional sample identified a further 26 cases where SRP was incorrectly stated.

We extrapolated the overall value of errors in both our initial and additional samples which resulted in the overpayment of benefit. The total extrapolated value of errors was £2,242. No adjustment was made to the claim in respect of this issue.

Incorrect calculation of self-employed income

As a result of the issues resulting in a potential overpayment of benefit an additional sample of 40 cases was tested to determine whether self-employed income used in the calculation of benefit was correctly calculated. Testing of the additional sample identified a further 6 cases where self-employed income had been incorrectly calculated.

We extrapolated the overall value of errors in both our initial and additional samples which resulted in the overpayment of benefit. The total extrapolated value of errors was £3,981. No adjustments were made to the claim in respect of this issue.

2014-15 certification fees

The Audit Commission determined a scale fee each year for the audit of claims and returns. For 2014-15, these scale fees were published by the Audit Commission on 27 March 2014 and are now available on the PSAA's website (www.psa.co.uk).

Claim or return	2013-14	2014-15	2014-15
	Actual fee £	Indicative fee £	Actual fee £
Housing benefits subsidy claim	13,609	10,010	13,217*
Total			

* The final 2014-15 actual fee of £13,217 includes a proposed additional fee of £3,207 to reflect the greater amount of work carried out in 2014-15. This additional fee is subject to review and determination by PSAA Ltd.

Looking forward

From 1 April 2015, the duty to make arrangements for the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to (PSAA) by the Secretary of State for Communities and Local Government.

The Council's indicative certification fee for 2015-16 is £7,847. This was prescribed by PSAA in April 2015, based on no changes to the work programme for 2015-16. PSAA reduced scale audit fees and indicative certification fees for most audited bodies by 25 per cent based on the fees applicable for 2014-15.

Details of individual indicative fees are available at the following web address:
<http://www.psa.co.uk/audit-and-certification-fees/201516-work-programme-and-scales-of-fees/individual-fees-for-local-government-bodies>

We must seek the agreement of PSAA to any proposed variations to these indicative certification fees. We will inform the Head of Finance & Governance Services before seeking any such variation.

Summary of recommendations

This section highlights the recommendations from our work and the actions agreed.

Recommendation	Priority	Agreed action and comment	Deadline	Responsible officer
Ensure that State Retirement Pension figures used in the assessment of entitlement are being correctly updated annually.	M	Agreed. From 2016/17 the Council will ensure that all pensioner records are checked against Client Information System data. Both the 2015 and 2016 amounts will be verified and amended, where necessary. We accept that this is a reasonable and proportionate response to the issue raised.	From 2016/17.	Revenues and Benefits Manager
Ensure that income is consistently assessed correctly in the determination of benefit entitlement and that the assessment made is supported by sufficient and appropriate evidence.	M	Agreed. Subsequent to the issue being highlighted the Council has put in place a number of measures to address this, particularly in respect of claims from self-employed individuals where this issue most commonly occurs. Specifically: <ul style="list-style-type: none"> ▶ additional training for assessment staff; ▶ self-employed claims are now only dealt with by more experienced assessors; ▶ income and outgoings to explicitly covered in assessment procedures; and ▶ updated procedure notes have been produced to support the process. 	With immediate effect	Revenues and Benefits Manager

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Chichester District Council

Year ending 31 March 2016

Audit Plan

March 2016

Ernst & Young LLP



Building a better
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Corporate Governance & Audit Committee
Chichester District Council
East Pallant House
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10 March 2016

Dear Committee Members

Audit Plan

We are pleased to attach our Audit Plan which sets out how we intend to carry out our responsibilities as auditor. Its purpose is to provide the Corporate Governance and Audit Committee with a basis to review our proposed audit approach and scope for the 2015/16 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Committee's service expectations.

This plan summarises our initial assessment of the key risks driving the development of an effective audit for the Council, and outlines our planned audit strategy in response to those risks.

We welcome the opportunity to discuss this Audit Plan with you on 22 March 2016 and to understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Paul King
For and behalf of Ernst & Young LLP
Enc

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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued "Statement of responsibilities of auditors and audited bodies 2015-16". It is available from the Chief Executive of each audited body and via the [PSAA website \(www.psa.co.uk\)](http://www.psa.co.uk)

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

The 'Terms of Appointment from 1 April 2015' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

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

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

1. Overview

This Audit Plan covers the work that we plan to perform to provide you with:

- ▶ Our audit opinion on whether the financial statements of Chichester District Council give a true and fair view of the financial position as at 31 March 2016 and of the income and expenditure for the year then ended; and
- ▶ Our conclusion on the Council's arrangements to secure economy, efficiency and effectiveness.

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Council's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- ▶ Strategic, operational and financial risks relevant to the financial statements;
- ▶ Developments in financial reporting and auditing standards;
- ▶ The quality of systems and processes;
- ▶ Changes in the business and regulatory environment; and,
- ▶ Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Council.

In sections two and three of this plan we provide more detail on the identified risks and we outline our plans to address them. Our proposed audit process and strategy is set out in section four.

We will provide an update to the Corporate Governance and Audit Committee on the results of our work in these areas in our report to those charged with governance scheduled for delivery in September 2016.

2. Financial statement risks

We outline below our current assessment of the financial statement risks facing the Council identified through our knowledge of the Council's operations and discussion with those charged with governance and officers.

At our meeting, we will seek to validate these with you.

Risk of management override

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

Our approach will focus on:

- ▶ Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements
- ▶ Reviewing accounting estimates for evidence of management bias, and
- ▶ Evaluating the business rationale for significant unusual transactions
- ▶ Evaluating the appropriateness of any changes in accounting policy

2.1 Responsibilities in respect of fraud and error

We would like to take this opportunity to remind you that management has the primary responsibility to prevent and detect fraud. It is important that management, with the oversight of those charged with governance, has a culture of ethical behaviour and a strong control environment that both deters and prevents fraud.

Our responsibility is to plan and perform audits to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements whether caused by error or fraud. As auditors, we approach each engagement with a questioning mind that accepts the possibility that a material misstatement due to fraud could occur, and design the appropriate procedures to consider such risk.

Based on the requirements of auditing standards our approach will focus on:

- ▶ Identifying fraud risks during the planning stages;
- ▶ Enquiry of management about risks of fraud and the controls to address those risks;
- ▶ Understanding the oversight given by those charged with governance of management's processes over fraud;
- ▶ Consideration of the effectiveness of management's controls designed to address the risk of fraud;
- ▶ Determining an appropriate strategy to address any identified risks of fraud, and,
- ▶ Performing mandatory procedures regardless of specifically identified risks.

3. Value for money risks

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

For 2015-16 this is based on the overall evaluation criterion:

"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people"

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

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

In considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

We are only required to determine whether there are any risks that we consider significant, which the Code of Audit Practice which defines as:

"A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public"

Our risk assessment supports the planning of sufficient work to enable us to deliver a safe conclusion on arrangements to secure value for money and enables us to determine the nature and extent of further work that may be required. If we do not identify any significant risks there is no requirement to carry out further work.

Our risk assessment has therefore considered both the potential financial impact of the issues we have identified, and also the likelihood that the issue will be of interest to local taxpayers, the Government and other stakeholders. This has not identified any risks which we view as relevant to our value for money conclusion.

4. Our audit process and strategy

4.1 Objective and scope of our audit

Under the Code of Audit Practice our principal objectives are to review and report on the Council's:

- ▶ Financial statements; and
- ▶ Arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

1. Financial statement audit

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK and Ireland).

We report to you by exception in respect of your governance statement and other accompanying material as required, in accordance with relevant guidance prepared by the NAO on behalf of the Comptroller and Auditor General.

Alongside our audit report, we also review and report to the NAO on the Whole of Government Accounts return to the extent and in the form they require.

2. Arrangements for securing economy, efficiency and effectiveness (value for money)

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

4.2 Audit process overview

As part of our audit planning procedures we have assessed the design of your internal controls and determined where it will be most efficient to adopt a controls reliance approach. In those areas we will test the controls we determine as key to preventing and detecting material misstatement.

Processes

Our initial assessment of the key processes across the Council has identified the following key processes where we will seek to test key controls, both manual and IT:

- ▶ Accounts receivable;
- ▶ Business rates;
- ▶ Cash and bank;
- ▶ Council Tax;
- ▶ Housing Benefits;
- ▶ Payroll; and
- ▶ Accounts Payable.

Analytics

We will use our computer-based analytics tools [tailor as appropriate] to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

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

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Corporate Governance and Audit Committee.

Internal audit

As in prior years, we have reviewed internal audit plans and the results of their work. As necessary, we have reflected on the findings from these reports in this audit plan.

Use of specialists

When auditing key judgements, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where either EY or third party specialists provide input for the current year audit are:

Area	Specialists
Land and property valuations	Council valuers
Pensions	Council actuary, EY third party specialists and EY Pensions team
NDR appeals provision	Council's third party specialist

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Council's environment and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- ▶ Analyse source data and make inquiries as to the procedures used by the expert to establish whether the source data is relevant and reliable;
- ▶ Assess the reasonableness of the assumptions and methods used;
- ▶ Consider the appropriateness of the timing of when the specialist carried out the work; and
- ▶ Assess whether the substance of the specialist's findings are properly reflected in the financial statements.

4.3 Mandatory audit procedures required by auditing standards and the Code

As well as the financial statement risks (section two) and value for money risks (section three), we must perform other procedures as required by auditing, ethical and independence

standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

Procedures required by standards

- ▶ Addressing the risk of fraud and error;
- ▶ Significant disclosures included in the financial statements;
- ▶ Entity-wide controls;
- ▶ Reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements; and
- ▶ Auditor independence.

Procedures required by the Code

- ▶ Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement;
- ▶ Reviewing and reporting on the Whole of Government Accounts return, in line with the instructions issued by the NAO; and
- ▶ Satisfying ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Finally, we are also required to discharge our statutory duties and responsibilities as established by the Local Audit and Accountability Act 2014.

4.4 Materiality

For the purposes of determining whether the financial statements are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in aggregate, could reasonably be expected to influence the users of the financial statements. Our evaluation requires professional judgement and so takes into account qualitative as well as quantitative considerations implied in the definition.

We have determined that overall materiality for the financial statements of the Council, is £1,488k based on 2% of gross service expenditure. We will communicate uncorrected audit misstatements greater than £74k to you.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all the circumstances that might ultimately influence our judgement. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the financial statements, including the total effect of any audit misstatements, and our evaluation of materiality at that date.

4.5 Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government. PSAA has published a scale fee for all relevant bodies. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the NAO Code. The indicative fee scale for the audit of Chichester District Council is £49,090.

4.6 Your audit team

The engagement team is led by Paul King, who has significant experience on Chichester District Council. Paul King is supported by Martin Young who is responsible for the day-to-day direction of audit work and is the key point of contact for the finance team.

4.7 Timetable of communication, deliverables and insights

We have set out below a timetable showing the key stages of the audit, including the value for money work and the Whole of Government Accounts. The timetable includes the deliverables we have agreed to provide to the Council through the Corporate Governance and Audit Committee's cycle in 2015/16. These dates are determined to ensure our alignment with PSAA's rolling calendar of deadlines.

From time to time matters may arise that require immediate communication with the Corporate Governance and Audit Committee and we will discuss them with the Chair as appropriate.

Following the conclusion of our audit we will prepare an Annual Audit Letter to communicate the key issues arising from our work to the Council and external stakeholders, including members of the public.

Audit phase	Timetable	Audit Committee timetable	Deliverables
High level planning	Ongoing	June 2015	<ul style="list-style-type: none"> • Audit Fee letter
Risk assessment and setting of scopes	December 2015 – March 2016	March 2016	<ul style="list-style-type: none"> • Audit Plan
Testing routine processes and controls	December 2015 – April 2016	March 2016	<ul style="list-style-type: none"> • Audit Plan; and • Report to those charged with governance via the Audit Results Report.
Year-end audit	July 2016 – August 2016	September 2016	<ul style="list-style-type: none"> • Report to those charged with governance via the Audit Results Report; • Audit report (including our opinion on the financial statements; and overall value for money conclusion); • Audit completion certificate; and • Reporting to the NAO on the Whole of Government Accounts return.
Completion of audit	September 2016	September 2016	<ul style="list-style-type: none"> • Report to those charged with governance via the Audit Results Report; • Audit report (including our opinion on the financial statements; and overall value for money conclusion); • Audit completion certificate; and • Reporting to the NAO on the Whole of Government Accounts return.
Conclusion of reporting	October 2016	November 2016	<ul style="list-style-type: none"> • Annual Audit Letter

In addition to the above formal reporting and deliverables we will seek to provide practical business insights and updates on regulatory matters.

5. Independence

5.1 Introduction

The APB Ethical Standards and ISA (UK and Ireland) 260 'Communication of audit matters with those charged with governance', requires us to communicate with you on a timely basis on all significant facts and matters that bear on our independence and objectivity. The Ethical Standards, as revised in December 2010, require that we do this formally both at the planning stage and at the conclusion of the audit, as well as during the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications

Planning stage	Final stage
<ul style="list-style-type: none"> ▶ The principal threats, if any, to objectivity and independence identified by EY including consideration of all relationships between you, your affiliates and directors and us; ▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality Review; ▶ The overall assessment of threats and safeguards; and ▶ Information about the general policies and process within EY to maintain objectivity and independence. 	<ul style="list-style-type: none"> ▶ A written disclosure of relationships (including the provision of non-audit services) that bear on our objectivity and independence, the threats to our independence that these create, any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed; ▶ Details of non-audit services provided and the fees charged in relation thereto; ▶ Written confirmation that we are independent; ▶ Details of any inconsistencies between APB Ethical Standards, the PSAA Terms of Appointment and your policy for the supply of non-audit services by EY and any apparent breach of that policy; and ▶ An opportunity to discuss auditor independence issues.

During the course of the audit we must also communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of our safeguards, for example when accepting an engagement to provide non-audit services.

We also provide information on any contingent fee arrangements, the amounts of any future contracted services, and details of any written proposal to provide non-audit services;

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period are disclosed, analysed in appropriate categories.

5.2 Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including any principal threats. However we have adopted the safeguards below to mitigate these threats along with the reasons why they are considered to be effective.

Self-interest threats

A self-interest threat arises when EY has financial or other interests in your entity. Examples include where we have an investment in your entity; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with the Council.

At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permissible non-audit services, and we will comply with the policies that the Council has approved and that are in compliance with PSAA Terms of Appointment.

A self-interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to the Council. We confirm that no member of our audit engagement team, including those from other service lines, is in this position, in compliance with Ethical Standard 4.

There are no other self-interest threats at the date of this report. .

Self-review threats

Self-review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self-review threats at the date of this report.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of your entity. Management threats may also arise during the provision of a non-audit service where management is required to make judgements or decisions based on that work.

There are no management threats at the date of this report.

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

Mark Catlow (Senior Manager) left EY in 2015/16 and took on the role of Group Accountant (Technical & Exchequer) at Chichester District Council. Mark Catlow is not considered to be in a position senior enough to exert direct and significant influence over the preparation of the financial statements. As such no specific safeguards are necessary.

There are no other threats at the date of this report.

Overall Assessment

Overall we consider that the adopted safeguards appropriately mitigate the principal threats identified, and we therefore confirm that EY is independent and the objectivity and independence of Paul King the audit engagement Director and the audit engagement team have not been compromised.

5.3 Other required communications

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes within EY for maintaining objectivity and independence can be found in our annual Transparency Report, which the firm is required to

publish by law. The most recent version of this report is for the year ended June 2015 and can be found here:

<http://www.ey.com/UK/en/About-us/EY-UK-Transparency-Report-2015>

Appendix A Fees

A breakdown of our agreed fee is shown below.

	Planned Fee 2015/16 £	Scale fee 2015/16 [£	Outturn fee 2014/15 £	Explanation
Opinion Audit and VFM Conclusion	49,090	49,090	65,453	For the 2015/16 financial year the Audit Commission has set the scale fee for each audited body prior to its closure. The scale fee is based on the fee initially set in the Audit Commission's 2012 procurement exercise, reduced by 25% following the further tendering of contracts in March 2014.
Total Audit Fee – Code work	49,090	49,090	65,453	
Certification of claims and returns ¹	7,847	7,847	10,011	
Non-audit work	0	0	0	

All fees exclude VAT.

The agreed fee presented above is based on the following assumptions:

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ The operating effectiveness of the internal controls for the key processes outlined in section 4.2 above;
- ▶ We can rely on the work of internal audit as planned;
- ▶ Our accounts opinion and value for money conclusion being unqualified;
- ▶ Appropriate quality of documentation is provided by the Council; and
- ▶ The Council has an effective control environment.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Council in advance.

Fees for the auditor's consideration of correspondence from the public and formal objections will be charged in addition to the scale fee.

¹ Our fee for the certification of grant claims is based on the indicative scale fee set by the PSAA.

Appendix B UK required communications with those charged with governance

There are certain communications that we must provide to the Corporate Governance and Audit Committee. These are detailed here:

Required communication	Reference
<p>Planning and audit approach Communication of the planned scope and timing of the audit including any limitations.</p>	▶ Audit Plan
<p>Significant findings from the audit</p> <ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process 	▶ Report to those charged with governance
<p>Misstatements</p> <ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ In writing, corrected misstatements that are significant 	▶ Report to those charged with governance
<p>Fraud</p> <ul style="list-style-type: none"> ▶ Enquiries of the Corporate Governance and Audit Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ A discussion of any other matters related to fraud 	▶ Report to those charged with governance
<p>Related parties Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the entity 	▶ Report to those charged with governance
<p>External confirmations</p> <ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures 	▶ Report to those charged with governance
<p>Consideration of laws and regulations</p> <ul style="list-style-type: none"> ▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off ▶ Enquiry of the Corporate Governance and Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Corporate Governance and Audit Committee may be aware of 	▶ Report to those charged with governance

Required communication	Reference
<p>Independence</p> <p>Communication of all significant facts and matters that bear on EY's objectivity and independence</p> <p>Communication of key elements of the audit engagement director's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence 	<ul style="list-style-type: none"> ▶ Audit Plan ▶ Report to those charged with governance
<p>Going concern</p> <p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements 	<ul style="list-style-type: none"> ▶ Report to those charged with governance
<p>Significant deficiencies in internal controls identified during the audit</p>	<ul style="list-style-type: none"> ▶ Report to those charged with governance
<p>Fee Information</p> <ul style="list-style-type: none"> ▶ Breakdown of fee information at the agreement of the initial audit plan ▶ Breakdown of fee information at the completion of the audit 	<ul style="list-style-type: none"> ▶ Audit Plan ▶ Report to those charged with governance ▶ Annual Audit Letter if considered necessary
<p>Certification work</p> <ul style="list-style-type: none"> ▶ Summary of certification work undertaken 	<ul style="list-style-type: none"> • Annual Report to those charged with governance summarising grant certification, and Annual Audit Letter if considered necessary

EY | Assurance | Tax | Transactions | Advisory

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Chichester District Council

CORPORATE GOVERNANCE & AUDIT COMMITTEE

22 March 2016

Accounting Policies

1. Contacts

Report Author:

David Cooper, Group Accountant,

Tel: 01243 534733 E-mail: dcooper@chichester.gov.uk

2. Recommendation

- 2.1. That the amendments to the Accounting Policies shown in Appendix 1 be formally adopted for the financial year ended 31 March 2016.**

3. Background

- 3.1. It is good practice for the accounting policies to be followed for the preparation of the end of year accounts be laid before the committee in advance of the accounts preparation.
- 3.2. Accounting Policies are a framework of specific principles, bases, conventions, rules and practices consistently applied by the council, and in the opinion of the responsible financial officer, best suited to present a true and fair view of the council's financial position in its financial statements.
- 3.3. The Accounting Policies adopted by this committee are contained within its Statements of Accounts 2014-15 document and are included on the council's website at <http://www.chichester.gov.uk/statementofaccounts>.
- 3.4. The accounting policies are prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting 2015-16 Practitioners Guide. This document specifies the principles and practices of accounting required. The majority of the wording used is contained within this guidance and is a standard for all local authorities to follow.
- 3.5. Apart from minor changes to wording and dates, a review of the Accounting Policies has identified that one amendment is required for the closedown of accounts for 2015-16. The most significant changes relate to:

I. Accounting for the Community Infrastructure Levy

From 1 February 2016 the Council has elected to charge a Community Infrastructure Levy (CIL) on new development within the district. CIL is a planning charge available to local authorities in order to provide the infrastructure needed to support the development of the local planning authority's area.

The levy is intended to focus on the provision of new or improved infrastructure such as roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreational facilities and open spaces.

The amount of levy to be received from each development will be calculated based on a charging schedule published by the council. The receipt of CIL is due on the date the development commences and is deemed to be received without outstanding conditions. As such the full receipt must be accounted for in the year, with any instalments outstanding accrued for at year end. The accounting treatment of these payments is similar to that of other capital grant transactions that the Council receives.

- 3.6. The proposed wording to be inserted into the Council's accounting policies relating to the introduction of CIL is detailed in Appendix 1.
- 3.7. It is common that during the course of an audit further guidance and technical clarification becomes available that may impact on the policies applied to prepare the accounts. Officers are currently awaiting the publication of an accounts closedown bulletin by the Chartered Institute of Public Finance and Accountancy (CIPFA) that will provide guidance on accounting issues for the production of the 2015-16 financial statements. If it is found that officers consider that amendments to the accounting policies are necessary, the changes will be submitted to this Committee in June 2016.

4. Appendices

Appendix 1 - Accounting Policy Amendments

5. Background Papers

- 5.1. Accounting Policies (within the Statement of Accounts 2014-15) on <http://www.chichester.gov.uk/statementofaccounts>

Accounting Policy changes for 2015-16

New policy to insert Community Infrastructure Levy (required as a result of the Council adoption of a scheme for the Community Infrastructure Levy)

From 1st February 2016 the Council has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the Council) with appropriate planning consent. The Council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport, flood defences and schools) to support the development of the area.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Account in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a small proportion of the charges may be used to fund revenue expenditure.

Agenda Item 9

Chichester District Council

CORPORATE GOVERNANCE & AUDIT COMMITTEE 22 March 2016

Carry Forward Requests

1. Contacts

Report Author:

David Cooper, Group Accountant,

Tel: 01243 534733 E-mail: dcooper@chichester.gov.uk

2. Recommendation

2.1. To request the Cabinet to approve the requests totalling £88,600 for budgets to be carried forward in 2016-17.

3. Background

3.1. In accordance with Financial Regulations, at the end of each financial year the Committee may determine that unspent balances of a specific nature may be carried forward into the following financial year.

3.2. Unspent balances at the year-end normally revert to general balances and are taken into account when considering the budget strategy for future years. Exceptionally, however, the Committee may take the view that an underspend arises from circumstances outside the control of the budget manager and that it is in the Council's best interests to carry forward a budget.

4. Main Report

4.1. The Accounts and Audit Regulation 2015 came into force on 1 April 2015. These new regulations retain the present deadlines for the issue and publications of the Council's Statement of Accounts (30 June and 30 September respectively) for the 2015-16 and 2016-17, but shorten this timetable from 2017-18 onwards. From 2017-18 the Council will be required to issue its Statement of Accounts by 31 May, and approve and publish its audited accounts by 31 July.

4.2. In preparation for this earlier deadline the Accountancy Service is exploring ways to streamline current practice by reviewing procedure and processes that will include:

- the de-cluttering of the accounts with the removal of disclosures that are not considered material to the reader of the financial statements;
- a review of materiality and wider use of estimates;
- the possibility of introducing a mini closedown at the end of quarter three (December) for the capital accounts; and,

- the bringing forward of year-end approvals such as carry forward requests.
- 4.3. The closedown of accounts for financial years 2015-16 and 2016-17 therefore provide the opportunity for two dry runs to assess the changes implemented to ensure that the statutory deadlines for 2017-18 are achieved.
 - 4.4. The new financial system implemented in April 2014 provides the Council's budget managers with easy access to the financial data relating to their approved budgets. As a result, these managers no longer need to rely on the accountancy service to provide them with up to date financial information as they are able to self-serve the system for themselves. In addition all budget managers have been provided with financial training supplied by trainers from the Chartered Institute of Public Finance and Accountancy (CIPFA), and also offered the opportunity to have one-to-one assistance with an accountant at a number of drop-in sessions provided by the Accountancy Service during the past year. As a result, budget managers are now better placed to be able to forecast their year-end budgetary position earlier than before.
 - 4.5. Previously carry forwards requests were considered after the year-end and submitted to this Committee in June. It is now considered appropriate to bring forward their approval process. Earlier approval will not only assist the Accountancy Service with the year-end closure process, but will also benefit budget managers as approved carry forwards will be available in their budgets in April as opposed to having to wait until July following the meeting of this Committee at the end of June.
 - 4.6. All carry forward requests agreed by this Committee, are agreed in principle, subject to the funds being available and unspent at the year end. It may be necessary to claw-back the approval if it is found that the budget requested to be carried forward has been spent or the income not received when the Council's outturn position is established.
 - 4.7. The carry forward requests in Appendix 1 have been received from budget managers. The Committee is asked to consider the reasons behind each carry forward requested to satisfy itself that the underspends have not arisen due to poor performance, and request the Cabinet to approve their carry forward into 2015-16. These requests are supported by the Chief Executive and the Head of Finance and Governance Services.

5. Background Papers

- 5.1. None.

6. Appendices

- 6.1. Schedule of Carry Forwards Requests from 2015-16 to 2016-17.

Carry Forward Requests from 2015-16 To 2016-17

Appendix 1

Community Services

A new fund has been created to support Cabinet's intention to make funding available to Parishes for events that celebrate the Queen's 90th Birthday. The fund will be promoted to Parishes shortly but it is anticipated that funds will be released to Parishes retrospectively, so the budget will need to be available in the coming financial year.

Finance and Governance

Currently there is 1.5 FTE assistant accountant roles vacant in the new Accountancy Services structure. It is envisaged that recruitment for these roles will take place in March. The forecast underspend for the Accountancy Service is requested to be carried forward to fund additional staff resources for project work on Civica asset register and budget modules, plus supporting the move to a new bank provider with effect from 1 April 2016 and the implementation of a new treasury management system. Procurement underspend due to post being part time with a full time budget provision, to cover the cost sharing arrangement with Arun District Council. Underspend requested to be carries forward to fund temporary staff in Accountancy Service to implement the contract module in the Civica system.

Information Communications Technology Business improvement professional services

This carry forward request is to extend the temporary senior analyst role for two days per week from 1st April 2016 to 31st March 2017 to support the shared services agenda and also assist with the key deliverables around the Digital Access

For example integration of Bartec and Civica to implement Paperless Direct Debits for identified services.

Trade Waste Integration with Civica. Upgrade of Civica and implementation

Implementation of Civica Budget Module

Information sharing and Reporting across the organisation(s)

Shared service system support and development

Total Carry Forwards

Budget Manager	Amount
	£
David Hyland	15,000
Helen Belenger	58,600
Jane Dodsworth	15,000
	88,600

Chichester District Council

CORPORATE GOVERNANCE & AUDIT COMMITTEE 22 March 2016

Strategic Risk Update

1. Contacts

Report Author:

Helen Belenger, Accountancy Services Manager,
Tel: 01243 521045 E-mail: hbelenger@chichester.gov.uk

2. Recommendation

- 2.1. That the Committee notes the current strategic risk register and the internal controls in place, plus any associated action plans to manage those risks, and raises any issues or concerns.**
- 2.2. That the Committee notes the current high scoring organisational risks and the mitigation actions in place, and raises any issues or concerns.**

3. Background

- 3.1. In accordance with the governance arrangements set out in the Risk Management Strategy and Policy, the Strategic Risk Group (SRG) reviews both the strategic and high scoring organisational risk registers bi-annually. The Corporate Governance and Audit Committee last received an update on the risk registers on 24 November 2015.
- 3.2. Since November, the Corporate Management Team (CMT) has received quarterly updates on both risk registers and its last review was undertaken on the 9 March 2016. The outcome of this was incorporated in the risk registers which were then considered by the SRG on 15 March 2016.

4. Outcomes to be achieved

- 4.1. The Strategic and Organisational Risk registers are current and relevant to the Council and its operation, and those risks are well managed in accordance with the Council's Risk Strategy and Policy.

5. Update on the Strategic Risk Register

- 5.1. The strategic risk register was considered by the relevant risk owner prior to the review by CMT on 9 March 2016. The discussions focussed on the risk scores, the current issues and any mitigating action plans that were being delivered to better manage the identified risks.
- 5.2. The SRG considered the updated risk register on 15 March 2016, and so an oral update on those discussions will be made to the Committee.

5.3. Appendix 1 shows the current risk register in light of CMT’s comments and the heat map below shows where the individual risks are placed based on the recent assessment against the risk scoring matrix:

LIKELIHOOD		8		
			97, 98	
		10	1, 9, 88	
		3		68
IMPACT				

6. Programme Board Risk Registers

- 6.1. The Programme Boards are for Business Improvement, Commercial and Infrastructure and involved service leads and the relevant portfolio holder. A risk register, if necessary, is compiled for each board. Any high scoring risks from these risk registers would be escalated within the Risk Management Framework for consideration by senior officers and members as necessary.
- 6.2. The high scoring risks and the associated mitigation plans are shown in appendix 2 taking into CMT’s comments.
- 6.3. An oral update will be given to the Committee regarding the review of the Infrastructure and Commercial Programme Boards risk registers considered by SRG.
- 6.4. The high scoring risks and the associated mitigation plans are shown in appendix 2.

7. Update on the Organisation Risk Register

- 7.1. The SRG considered the high scoring risks and the associated mitigation plans are shown in appendix 3.

8. Other Implications

	Yes	No
Crime & Disorder:		X
Climate Change:		X
Human Rights and Equality Impact:		X
Safeguarding:		X

9. Appendices

- 9.1. Appendix 1 – Strategic Risk Register (Exempt Information – para 3)
- 9.2. Appendix 2 – Mitigation Plans for High Scoring Programme Board Risks
- 9.3. Appendix 3 – Mitigation Plans for High Scoring Organisational Risks



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

Document is Restricted





Corporate Risk Register – Programme Board Risks Quarterly Update

Report Author: Helen Belenger
Generated on: 10 March 2016

Risk Status	
	Alert
	High Risk
	Warning
	OK
	Unknown




Infrastructure Board

Controls Pending


Status	Risk No.	Risk Area	CMT Lead	Original Score	Previous 1/4ly Review Score	Current Score	Target Score	Target Date	Internal Controls
	PBR 01	Failure to engage or reach agreement with delivery partners	AF	9	9	3	3	31-Mar-2017	Improving
	PBR 02	Failure of partners to deliver	AF	8	8	6	3	31-Mar-2017	Improving

Commercial Board


Controls Pending

Status	Risk No.	Risk Area	CMT Lead	Original Score	Previous 1/4ly Review Score	Current Score	Target Score	Target Date	Internal Controls
	PBR 03	Staff resources to deliver projects	JH	16	16	6	4	31-Mar-2017	Improving
	PBR 04	Financial resources to deliver projects	JH	8	8	6	4	31-Mar-2017	Improving
	PBR 05	Triple dip recession and impact on income streams	JH	6	6	6	2	31-Mar-2017	Improving

Infrastructure Board


Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	PBR 01	Failure to engage or reach agreement with delivery partners	AF	9	9	9	?	?	?

Mitigation - Delivery partners will be engaged through the production of the Infrastructure Business Plan and consulted on the draft version. Given the partnership approach to infrastructure planning, areas of potential disagreement should have less impact.


Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	PBR 02	Failure of partners to deliver	AF	8	8	8	?	?	?

Mitigation - Delivery partners will be engaged through the production of the Infrastructure Business Plan and consulted on the draft version. Given the partnership approach to infrastructure planning and the allocation of CIL or other funding in some cases, the likelihood of partners not delivering is reduced.


Commercial Board

Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	PBR 03	Staff resources to deliver projects	JH	16	16	16	?	?	?

No update on Covalent


Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	PBR 04	Financial resources to deliver projects	JH	8	8	8	?	?	?

No update on Covalent


Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	PBR 05	Triple dip recession and impact on income streams	JH	6	6	6	?	?	?
No update on Covalent									


High Scoring Organisational Risks - Mitigation Actions


Business Improvement Services

Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 103	PR - Failure to have sufficient staff resources to deliver service to the council	JW	6	-	6	2	31-Mar-2017	Improving
CMT plan, plus reprioritisation of work. Purchase of resources to provide direct time limited project support									


Commercial Services


Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 106	Leisure - Termination of leisure contract either by the Council or the contractor	JH	6	-	6	3	31-Mar-2017	Improving
Ensure strong working relationship established with Contractor and regularly monitor performance.									


Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 107	Commercial - Negative publicity due to change in service delivery options for the Novium	JH	6	-	6	4	31-Mar-2017	Improving
Negative Publicity surrounding Novium Option Appraisal									
Develop a Communications Plan to inform staff, press and public about the project.									

Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 108	Economic Development - Failure to have sufficient staff resources to deliver service	JH	6	-	6	1	31-Mar-2017	Improving
Re-profile and re-allocate existing staff resources to key tasks only. Seek short-term external cover and/or internal secondment Extend project timescales where possible									


Community Services

Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 72	Careline - Reducing income due to cancellation of contracts by both individuals and commercial clients	SH	9	6	6	6	31-Mar-2016	Improving
Review conducted and scoring amended regarding income reduction which is mitigated through relationship management which is in place. 2nd element to be added for or technical fault causes death or injury and consequential reputational damage likelihood 2 impact 3 = risk measure 6. Mitigation in place. Staff training in place issuing of instructions and quality assurance of telephone call handling.									


Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 110	Community - Changes to partner organisations impacting on delivering corporate objectives	SH	8	-	8	4	31-Mar-2017	Improving
Changes to partner organisations that impact on delivering corporate objectives Actions to mitigate : - Relationship management (likelihood) - Impact assessment (impact) - community engagement: managing expectations and exploring alternatives (impact) -multi-skill or retrain existing staff (impact)									


Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 111	Community Tensions	SH	8	-	8	8	31-Mar-2017	Improving
Mitigating action : -monitoring media reporting of local responses/concerns to local or national issues (likelihood) -Referral and escalation process (impact) -Assessment (likelihood/impact) -cultural education and positive communications(likelihood/impact)									

Contract Services


Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 120	CCS – Retention of key staff	RD	6	-	6	4	31-Mar-2017	Improving
Review pay rates									

Finance & Governance Services

Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 92	Accountancy Services - Loss of key skills and knowledge	JW	6	6	6	2	31-Mar-2017	Improving
There is still 1.5 FTE of Assistant Accountant roles unfilled, but additional staff resources have been secured until June 2016 to achieve the Civica project work. The service is currently considering options for the vacant roles.									

Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 101	H&S - Failure to deliver services following incident leading to a breach of the council's statutory duties under the Civil Contingencies Act	JW	6	6	6	3	31-Jul-2016	Improving

Business continuity plans (covering the first 3 days of a business interruption) are in the process of being audited. Upon completion Zurich will be asked to carry out an audit on our BC management system. We are in the process of training key staff to use a system called Resilience Direct as a DR solution (storage of BC documentation). It already contains the BC plans and key documents. The training is to enable service teams to take responsibility for the information held on the system and to ensure that it remains up-to-date. Controls are in progress.

Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 113	Member Services - Failure to deliver services due to staff resources	JW	6	-	6	1	31-Mar-2017	Improving


Team resources to progress all projects as well as day-to-day business:- especially if Manager retires

Discuss risks with Head of Service and new Monitoring Officer to develop clear transition plan.


Regular team discussions.


Work closely with lead officers in other depts., including IT.


Housing & Environment Services


Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 33	Environment - Coast defence contractors - Emergency response to major storm event	LR	6	6	6	6	31-Mar-2017	Good

no change. Contractor in place and able to respond effectively should bad weather occur.


Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 51	Housing - Welfare reforms	LR	9	6	6	4	31-Mar-2017	Good
New benefit cap announced by government. Plans to be agreed between Housing and Benefits teams to work with affected residents - up to 200 families affected, mitigated by increased DHP budget announced									

Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 53	Housing - Residents unable to access affordable homes	LR	9	6	6	4	31-Mar-2017	Good
Housing Strategy updated in light of the Housing and Planning Bill. Capital to council 1/3									


Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 67	Environment - Emergency Planning - loss of key staff, long term sickness (single point of failure)	LR	12	6	6	6	31-Mar-2017	Good
The resilience is improving due to partnership working with Arun - no change									

Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 114	Environment - Failure to maintain income due to impact of Deregulation Act 2015	LR	8	-	8	?	31-Mar-2017	Improving
Reduction of income associated with taxing licensing regime as of result of Deregulation Act 2015.									
Mitigation action - Review of processes/efficiency savings									


Planning Services

Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 25	Planning - Significant breach of planning control	AF	6	-	6	1	31-Mar-2017	Improving


Action in relation to current significant breach (encampment) being prioritised between Planning and Legal.

Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 115	Planning - Risk of "Designation" by central Government	AF	6	-	6	2	31-Mar-2017	Improving


Constantly monitor performance to ensure that minimum performance standards are prioritised and targets are met. Use of extensions of time and PPAs

Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 116	Planning - Neighbourhood plans work reaches unmanageable levels	AF	8	-	8	4	31-Mar-2017	Improving

Workloads reach unmanageable levels: Service delivery Community expectations Complaints Effect on staff Loss of staff Reputation Judicial Reviews and costs
Use of existing planning policy officers to cover workloads at their peak

Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 117	Planning - Duty to co-operate fails to provide strategic framework	AF	6	-	6	2	30-Apr-2016	Improving

Duty to Cooperate fails to provide a strategic planning framework Adversely effects local plan review Casts doubt in Development Management
Develop Local Strategic Statement 3 with other Coastal West Sussex and Greater Brighton authorities

Status	Risk No.	Risks Area	HoS Lead	Original Score	Previous Review Score	Current Score	Target Score	Target Date	Internal Controls
	CRR 119	Planning – Failure to be able to demonstrate 5 year housing supply	AF	4	-	4	2	31-Mar-2017	Improving
Failure to be able to demonstrate 5 year housing supply – leading to further speculative development/appeals. Mitigation action is to bring forward the review of the Local Plan and/or develop FAD-type policy									

Chichester District Council

CORPORATE GOVERNANCE & AUDIT COMMITTEE 22 March 2016

Audit Report, Audit Plan & Progress Report – Audit Plan

1. Contacts

Report Author:

Stephen James – Principal Auditor

Tel: 01243 534736

E-mail: sjames@chichester.gov.uk

2. Recommendation

The committee is requested to consider and note:

a) the Audit Report

b) the Audit Plan for 2016/2017

c) progress against the Audit Plan 2015/2016

3. Main Report

3.1. Housing Benefit

This audit looked at five key areas within Housing Benefits and also a follow up of the 2014/2015 audit report. No recommendations have been made as a result of the audit and the follow up was found to have been actioned or in the process of being actioned. No recommendations have been made as a result of the audit. This audit is being sent to members for information. .

3.2. Audit Plan 2016/2017

Internal Audit maintains a three year rolling programme of audits and considers the Risk, Value and System Complexity. Each audit will also review the arrangements for securing value for money, and identification of potential efficiency gains. The first year of the three year rolling programme forms the Annual Plan for 2016/2017.

3.3. Audit Plan Progress

Since the last committee the majority of the time has been spent undertaking Key Financial Control work so that reliance can be placed on the work by the External Auditors (EY). One audit Housing Benefit has been completed since the last committee however, Personnel & Recruitment is still in the process of being agreed. Any of the remaining audits which have been started will be completed within the next financial year.

4. Background

4.1. Not Applicable

5. Outcomes to be achieved

5.1. Not Applicable

6. Proposal

6.1. Not Applicable

7. Alternatives that have been considered

7.1. Not Applicable

8. Resource and legal implications

8.1. Not Applicable

9. Consultation

9.1. Not Applicable

10. Community impact and corporate risks

10.1. Not Applicable

11. Other Implications

Are there any implications for the following?		
	Yes	No
Crime & Disorder:		√
Climate Change:		√
Human Rights and Equality Impact:		√
Safeguarding:		√
Other (Please specify):		√

12. Appendices

12.1. Progress Report – Audit Plan

12.2. Three Year Audit Plan for 2016/2017 to 2018/2019

12.3. Annual Audit Plan for 2016/2017

13. Background Papers

13.1 None

Progress Report – Audit Plan



As at 29th February 2016

Appendix 1

Audits	Auditor	No of Days	Days Remaining	Position with Audit
Key Financial Systems - See below for details	Sue Shipway / Julie Ball / Sarah Hornsby/Philippa Watts	40	0	On-going
Members Services	Julie Ball	10	6.5	Planning
PSN	Julie Ball / Sarah Hornsby	15	14.5	Planning
Food Safety	Sarah Hornsby	15	13	Planning
Carry Forwards (Data Security)	Stephen James / Sue Shipway	15		
Other Audit Activities	Auditor	No of Days	Days Remaining	Position with Audit
Audit Reviews	Stephen James/Sue Shipway	15	0	On-going
Chichester Contract Services Quality Audits	Stephen James	20		
Corporate Advice	Stephen James / Sue Shipway/ Julie Ball	20	18.5	On-going
Contingency (Seperate analysis available)	Stephen James / Sue Shipway /Philippa Watts/ Julie Ball	120	80	On-going
PSIAS	Stephen James/Sue Shipway	20	13	On-going
Individual Service Risk Register & Corporate Risk Register	Stephen James/ Sue Shipway	10		
AGS + supporting evidence	Stephen James	30	17	On-going
NFI	Sue Shipway	20	15	On-going
Follow Ups	Stephen James / Sue Shipway/ Julie Ball	20	15	On-going
Completed Audits				
Safety Inspections - Zurich	Sarah Hornsby	10	0	Complete - Final Report
Car Parks	Julie Ball	18	0	Complete - Final Report
Development Management	Philippa Watts	15	0	Complete - Final Report
Fraud Review and IAS240	Sue Shipway	15	0	Complete - Final Report

Audits	Auditor	No of Days	Days Remaining	Position with Audit
IT Security of Assets	Julie Ball	10	0	Complete - Final Report
Housing Register	Sue Shipway	5	0	Complete - Final Report
Project Management	Philippa Watts	10	0	Complete - Final Report
Personnel and Recruitment pre-checking (Carried Forward from	Sue Shipway / Philippa Watts	25	0	Draft Report
Building Control	Julie Ball	10	0	Complete - Final Report
Housing Benefits	Sue Shipway/Sarah Hornsby	20	0	Complete - Final Report
Consultants Review	Sue Shipway	5	0	Complete - Final Report
Carried Forward	Sarah Hornsby & Julie Ball	15	15	
Inclusion in Key Financial Systems				
Creditors	Sue Shipway / Philippa Watts / Julie Ball / Sarah Hornsby			
Debtors	Sue Shipway / Philippa Watts / Julie Ball / Sarah Hornsby			
Payroll	Sue Shipway / Philippa Watts / Julie Ball / Sarah Hornsby			
NNDR	Sue Shipway / Philippa Watts / Julie Ball / Sarah Hornsby	40	See Above	
Council Tax	Sue Shipway / Philippa Watts / Julie Ball / Sarah Hornsby			
Bank Reconciliation	Sue Shipway / Philippa Watts / Julie Ball / Sarah Hornsby			
Budgetary Control	Sue Shipway / Philippa Watts / Julie Ball / Sarah Hornsby			

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Strategic three year plan by risk 2016-2017 to 2018-19				H = 3	M = 2	L = 1	Appendix 2
Risk Factor	Year	Duration (Days)	Risk	Value (0-1mil Low 1mil - 30mil Medium 30mil - 70mil High)	System Complexity (high volume, transaction, system complexity etc)	Total	
Ref	Year One 2016/17						
BF	S106 / CIL (Community Infrastructure Levy) Review	Year 1	20	H	M	H	18
BF	Business Continuity	Year 1	10	H	L	M	6
BF	Emergency Planning (CC4 S0401)	Year 1	15	H	L	M	6
BF	Post Implementation - Fixed Assets	Year 1	5	M	H	M	12
BF	Grants and Contributions (Recieved)	Year 1	15	M	H	M	12
BF	Facilities Management	Year 1	20	M	L	M	4
	Westgate / Southbourne / Midhurst LC Contract	Year 1	15	H	M	H	18
	Income Rec (CCS - Collection) Trade and Green Waste	Year 1	15	H	M	H	18
	Community Careline	Year 1	15	H	M	H	18
	Elections	Year 1	15	M	L	H	6
	Industrial Starter Units	Year 1	10	M	L	M	4
	Museum / TIC	Year 1	20	M	L	M	4
	Rent Deposit Scheme Review	Year 1	10	L	L	M	2
	Pest Control	Year 1	15	M	L	M	4
New	Information Technology Review	Year 1	15	H	M	H	18
New	Estates - Rent Arrears	Year 1	10	M	M	M	8
New	Contract Management	Year 1	15	H	H	M	18
New	Budget Monitoring (Deficit Reduction)	Year 1	15	H	M	H	18

Ref	Year Two 2017/18						
BF	Planning Policy	Year 2	10	H	M	H	18
BF	Economic Development	Year 2	15	L	L	M	2
BF	Private Hire and Taxis	Year 2	15	M	L	M	4
BF	Land Charges	Year 2	15	M	L	M	4
BF	Licensing	Year 2	10	L	L	M	2
BF	Community Wardens and Community Safety	Year 2	10	M	L	L	2
	Westward House	Year 2	10	H	L	L	3
	Customer Service Centre	Year 2	15	L	L	M	2
	CCTV	Year 2	15	L	L	M	2
	Dog Control	Year 2	10	M	L	L	2
	Foreshores	Year 2	10	M	L	L	2
	Environmental Protection	Year 2	15	H	M	M	12
	Health & Safety Inspections	Year 2	10	H	L	M	6
	Grants Paid	Year 2	15	L	L	L	1
	Community Engagement / Development	Year 2	15	L	L	L	1

Ref	Year Three 2018/19						
	Car Parks	Year 3	18	H	M	M	12
	Project Management	Year 3	10	M	H	M	12
	Development Management	Year 3	15	M	M	M	8
	Personnel & Recruitment	Year 3	15	M	L	M	4
	Safety Inspection - Zurich	Year 3	10	H	M	M	12
	Consultants Review	Year 3	5	M	L	M	4
	Housing Enabling	Year 3	5	M	L	M	4
	Food Safety	Year 3	15	H	L	M	6
	Building Services	Year 3	15	M	L	M	4
	Security of Assets	Year 3	10	M	M	M	8
	Building Control	Year 3	10	M	L	M	4
	Security of Data	Year 3	15	H	M	H	18
	Members Services	Year 3	10	L	L	L	1

Annual Audit Work 2016-17							
	Key Financial Systems	Annual	65	NA	NA	NA	NA
	Corporate Fraud Officer	Annual	20	NA	NA	NA	NA
	Corporate Advice	Annual	20	NA	NA	NA	NA
	AGS + Evidence	Annual	30	NA	NA	NA	NA
	Public Sector Internal Audit Standard	Annual	20	NA	NA	NA	NA
	Follow Ups	Annual	20	NA	NA	NA	NA
	Fraud Review	Annual	15	NA	NA	NA	NA

Individual Audit Plan for 2016-2017													
			Stephen	Actual	Sue	Actual	Ann	Actual	Philippa	Actual	Julie	Actual	TOTAL
Audits for 2016-2017 and Other Chargeable Work		888	260		190		126		156		156		888
Audits Brought Forward from 2015-16	Risk Weighting	Audit Days											
S106/CIL (Community Infrastructure Levy)	18	20											20
Business Continuity	6	10											10
Grants and Contributions (Received)	2	15											15
Facilities Management/Caretaking	4	20											20
Emergency Planning	6	15											15
Post Implementation	12	5											5
		85											85
New Audits for 2016-2017 Year 2	Risk Weighting	Audit Days											
Westgate / Southbourne / Midhurst Liesure Centres	12	15											15
Community Careline	12	15											15
Elections	6	15											15
Industrial Estates/Investment Property	4	10											10
Pest Control	4	15											15
Museum / TIC	4	20											20
CCS -Income Recs (trade and green waste)	4	15											15
Rent Deposit Scheme Review	2	10											10
		115											115
Additional Audits for 2016-2017	Risk Weighting	Audit Days											
Information Technology (New IT Manager)		15											15
Estates - Rent Arrears		10											10
Contract Management		15											15
Budget Monitoring (Deficit Reduction)		15											15
		55											55
Audit proposed for Year 3 brought forward as back up	Risk Weighting	Audit Days											
		0	0	0	0	0	0	0	0	0	0	0	0
Annual Activity													
Key Financial Systems		65	10		10		15		15		15		65
Audit Reviews		15	7		8								15
Corporate Fraud Officer		20	20										20
Corporate Advice		20	6		5		3		3		3		20
Contingency		100	20		20		20		20		20		100
AGS + Evidence		30	30										30
Public Sector Internal Audit Standard		20			20								20
Follow Ups		20			5		5		5		5		20
Fraud Review		15			15								15
		305	93		83		43		43		43		305
Chargeable Work--Total		560	93	0	83	0	43	0	43	0	43	0	560
Non-chargeable activity													
Management		52	37		15								52
Administration		55	15		10		10		10		10		55
Induction		5					5						5
Elections		5	1		1		1		1		1		5
Committee Reports and Attendance		9	6		3								9
Training		26	6		5		5		5		5		26
Meetings		36	28		2		2		2		2		36
Holidays		122	36		27		18		19		22		122
Other Leave and Allowances		6	2		1		1		1		1		6
Sickness		12	4		2		2		2		2		12
Non-Chargeable Work--Total		328	135	0	66	0	44	0	40	0	43	0	328
Total		888	228		149		87		83		86		633
Chargeable Work %			48%		65%		65%		74%		72%		
Non-chargeable Work %			52%		35%		35%		26%		28%		