

NOTICE OF MEETING

East Pallant House Chichester West Sussex PO19 1TY

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MEETING	CORPORATE GOVERNANCE AND AUDIT COMMITTEE
DATE / TIME	Thursday 25 September 2014 at 09.30 am
VENUE	Committee Room 1 East Pallant House Chichester PO19 1TY
CONTACT POINT	Bambi Jones – Principal Scrutiny Officer Direct line: 01243 534685 Email: bjones@chichester.gov.uk

Wednesday 17 September 2014

JOHN WARD
Head of Finance & Governance Services

AGENDA

This agenda should be retained for future reference with the minutes of this meeting

PART 1

- Chairman's Announcements**
Any apologies for absence that have been received will be noted at this point.
- Approval of Minutes** (Pages 1 to 10)
The Corporate Governance and Audit Committee is requested to approve the minutes of its ordinary meeting on Thursday 26 June 2014.
- Urgent items**
The chairman will announce any urgent items that due to special circumstances are to be dealt with under agenda item 12(b).

4. **Declarations of Interests**

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 Wednesday 24 September 2014 is available upon request to Member Services (the contact details for which appear on the front page of this agenda).

6. **Audit Results Report 2013/14 – Ernst & Young LLP (EY)** (pages 11 to 32)

To consider the attached report which summarises EY's preliminary audit conclusion in relation to the Council's financial position and results of operations for the year end 31 March 2014.

7. **Audited Statement of Accounts 2013/14** (pages 33 to 35)

To consider and adopt the audited Statement of Accounts for the year ended 31 March 2014 and to agree the Letter of Management Representation.

The appendices to the main report will be despatched separately. *(Note: The appendices to this report are being circulated as separate documents to members of the committee and senior officers only. It may be viewed on the Council's website at www.chichester.gov.uk/committee_papers. A paper copy is available in the Members' Room at East Pallant House or from the contact named on the front page of this agenda.*

8. **Corporate Governance report to Full Council** (pages 36 to 54)

The committee is required to report to Council each year on the effectiveness of the Council's corporate governance arrangements. The committee is requested to consider this draft annual report and to recommend it to Council for approval.

9. **Annual Partnerships Report** (pages 55 to 67)

To consider an annual report on the council's strategic partnerships to ensure that governance arrangements are in place and that risks are being managed effectively.

10. **Corporate complaints annual report** (pages 68 to 82)

To consider and to note the annual report on corporate complaints, and to make recommendations as to future monitoring arrangements to identify business improvement where appropriate.

11. **Audit Reports and Progress Report** (pages 83 to 86)

To consider and note the audit reports and progress against the current year's Audit Plan.

12. **Late items**

- (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

With the aim of reducing paper consumption, certain restrictions have been introduced on the distribution of paper copies of longer appendices to reports where those appendices are circulated separately from the agenda:

- (1) **Members of the Corporate Governance and Audit Committee, the Cabinet and Senior Officers:** They receive paper copies including the appendices.
- (2) **Other Members of the Council:** The appendices may be viewed via the Members' Desktop and a paper copy will also be available for inspection in the Members' Room at East Pallant House.
- (3) **The Press and Public:** The appendices relating to reports listed under Part I of the agenda which are not included with their copy of the agenda can be viewed as follows:
 - (a) on the council's website at www.chichester.gov.uk/committee_papers - Select Corporate Governance and Audit Committee then choose the date of this meeting
 - (b) at the main reception desk at East Pallant House Chichester
 - (c) by contacting Bambi Jones (Principal Scrutiny Officer) on 01243 534685 or bjones@chichester.gov.uk

MEMBERS

Mrs P M Tull (Chairman)
Mr A J French (Vice-Chairman)

Mrs C M M Apel	Mr B Finch
Mr M J Bell	Mrs P A Hardwick
Mr T Dignum	Mr G H Hicks
Mr J Cherry	Mr R M J Marshall

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Minutes of a meeting of the **Corporate Governance and Audit Committee** held in Committee Room 1, East Pallant House, 1 East Pallant, Chichester on Thursday 26 June 2014 at 09.30am.

Members (10)

Mrs P M Tull (Chairman)
Mr A J French (Vice-Chairman)

Mrs C M M Apel	Mr B Finch
Mr M Bell	Mr G Hicks
Mr J Cherry	Mrs P Hardwick
Mr T Dignum	Mr R Marshall

Present (7)

Apologies for absence:

None

Officers Present for all agenda items

Mrs B Jones, Principal Scrutiny Officer
Mr J Ward, Head of Finance & Governance Services

Officers Present for Specific Items Only

Mrs B Bayliss, Planning Obligations Monitoring Officer
Mrs H Belenger, Accountancy Services Manager
Mr D Cooper, Group Accountant
Mr T Day, Environmental Coordinator
Mrs C Dring, Benefits Manager
Mrs J Dodsworth, Head of Business Improvement Services
Ms N Golding, Principal Solicitor
Mrs L Grange, Housing Delivery Manager
Mr S Hansford, Head of Community Services
Mr S James, Principal Auditor
Ms L Le Vay, Design and Implementation Manager
Mr W Townsend, Health & Safety Manager

Chichester District Council Members present as observers or contributors

Mr J Connor
Mrs C Purnell
Mr S Oakley

Invited Representatives Present for Agenda Items 6 and 7

Mr Paul King, Director, Ernst & Young LLP (EY)

Invited Representatives Present for Agenda Item 10

Mr Mike Bleakley, Planning Services Manager, South Downs National Park
Ms Elaine Munns, Team Manager, Strategic Planning Division, Communities and Infrastructure, WSCC

179. Chairman's announcements

180. Minutes

The committee agreed the minutes of the previous meeting. The Chairman advised that the report on 1 The Ridgeway, detailed in minute 176, would be available for a future meeting of this committee.

RESOLVED

That the Minutes of the meeting held on 20 March 2014 be signed as a correct record.

181. Urgent Items

There were no urgent items for consideration at this meeting.

182. Declarations of Interest

There were no declarations of interest.

183. Public Question Time

No public questions had been submitted.

184. Ernst & Young LLP (EY) : Audit and Certification Fees 2014/15

Mr P King from EY attended for this and the next agenda items. He advised the committee that the 2014/15 certification fee was based on the 2012/13 actual certification fee adjusted to reflect schemes that no longer require certification.

RESOLVED

That the Ernst & Young LLP Audit and Certification Fees 2014/15 be noted.

185. Ernst & Young : Audit Plan 2013/14

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

Mr King advised that no significant risks were identified to achieving the Value for Money (VfM) conclusion. However an area of on-going risk was the Council's spending benchmarked against other local authorities, which indicated that in some services the absolute level of spend was high compared to other authorities. Mr King advised that this piece of work allowed EY to identify areas on which to concentrate their audit and that high spend was not an indication of lack of VfM. Mr Ward gave some examples of where services appear to be high spend areas and explained the reasons for this. Mr Dignum advised that he had requested the Head

of Finance & Governance Services to produce a report for the next meeting of this committee explaining the high level of spend in some service areas.

The Chairman was pleased to note a change in EY policy in disclosing its materiality for the Council's financial statements. Mr King confirmed that EY had resolved to become more transparent, having used the same level of 2% of gross expenditure in previous years.

RESOLVED

That progress against the Audit Plan 2013/14 be noted.

186 Draft Statement of Accounts 2013/14

The committee considered the agenda report (copy attached to the official minutes). The Head of Finance & Governance Services advised that it had been challenging to produce the draft Statement of Accounts in time for this meeting due to the concurrent introduction of the new financial management system. The Group Accountant and Accountancy Services Manager answered members' questions as follows.

- Are the figures for NNDR correct on page 22? *We reflect only our share of NNDR rates of 40%.*
- What does the figure on page 51 relating to Grants and Contribution Reserve reflect? *It is grants which the Council receives; it has nothing to do with the grants distributed by the Grants & Concessions Panel.*
- Why had there been an increase in Housing Benefit provision (page 37 of the report)? *£35m had been paid out last year in housing benefit. Until recently there had been no reserve for housing benefit bad debt. The Council was refining the process to determine what the appropriate level of reserves should be. The Group Accountant explained the various movements within earmarked reserves.*

Mr Cherry was very pleased with the £800,000 surplus in the General Fund 2013/14 and stated that he considered paragraph 3.6.3 of the report was a good statement of the Council's objectives.

Mr Marshall gave his congratulations on a very good outcome for the year. He stated that it was important for the committee to receive the draft accounts before these were made available for public inspection. He suggested that under the Financial Strategy section the issues facing the authority should be linked to the Corporate Risk Review. The Head of Finance & Governance Services confirmed that this would be reviewed at the next iteration of the Statement of Accounts.

Mr Dignum asked the committee to record its thanks to the accounts team for producing the draft Statement of Accounts in time for this meeting. In addition to the surplus of £800,000 there had been a conservative use of resources and the New Homes Bonus grant was being used for community purposes. The capital reserve had been set at £5m but there was now £8.8m in reserve, with total useable reserves totalling £32m. Officers are currently considering opportunities for the use of some of these reserves, and these will be reported to Cabinet and Council in due course.

Mrs Apel requested that members be provided with some training on financial matters. The Head of Finance & Governance Services agreed to look into this.

RESOLVED

That the Draft Statement of Accounts be noted.

187 Carry Forward Requests

The committee considered the agenda report (copy attached to the official minutes). The Head of Finance & Governance Services advised that these carry forward totals had been included in the draft Statement of Accounts which the committee had just reviewed.

Mrs Apel requested an update on the appointment to the Estates Post. The Head of Finance & Governance Services advised that there had been difficulties in trying to appoint to this position, however it had been possible to fill the post with the assistance of a recruitment agency.

Mr Hicks requested to know where the Westgate CHP sum was shown in this statement. The Head of Finance & Governance Services advised that this only relates to carry forward amounts for the revenue account; Westgate would appear in capital budgets.

RECOMMENDED TO CABINET

That the requests for budgets totalling £214,600 for budgets to be carried forward in 2014/15 be approved.

188 Revised Treasury Management Strategy Statement

The committee considered the agenda report (copy attached to the official minutes). The Chairman of the Task and Finish Group gave a report back to the committee saying that the group had held a number of meetings which had allowed good discussion and contribution to a revised Treasury Management Strategy and Treasury Management Practices (TMPs). The Accountancy Services Manager drew members' attention to the addition of Appendix A which sets out investment types, risks, maximum value and minimum credit rating. The Head of Finance & Governance Services and Accountancy Services Manager answered members' questions as follows.

- Is it the remit of this committee to have an annual report on investments and how they compare against this strategy? *Cabinet receives a report half yearly detailing how we are performing against the treasury management strategy. A report is due to go to Cabinet in July detailing how we performed in 2013/14. All members get Cabinet reports. Officers receive weekly reports and the portfolio holder receives monthly reports.*
- Is there a requirement for officers and staff to sign a declaration regarding conflict of interests in respect of investments? *The Council's Code of Conduct sets out the requirements of staff to declare any interests and staff are reminded about declarations for Related Party Transactions as part of the final accounts process. There are criteria in the Treasury Management Practices which set out roles and responsibilities for staff engaged in treasury*

management. Money market funds are tightly regulated and there is robustness within systems. Brokers have controls in place. Declarations are audited each year.

- Can we include something on the Updated Economic Background section on page 16 of the appendix pack to reflect the Carney statement regarding interest rates? *The Treasury Management Strategy is due to go to Cabinet in September. Changes can be incorporated in the report to Council in September for final approval.*
- Not sure how performance will be reported against the newly included performance measure on page 23 of the appendix pack. *Performance against this indicator will be reported by way of a chart, an example of which was shown in the Members training pack as delivered by the Council's treasury advisor.*

Mr Marshall requested to know the reason why this committee makes some recommendations to Cabinet when the committee reports to the Council. A definitive answer regarding the Constitutional process regarding recommendations will be forwarded to members following this meeting.

RECOMMENDED TO CABINET

That the Treasury Management Strategy Statement and the Investment Strategy 2014/15 be agreed.

189 Strategic & Organisational Risk Registers update

The committee considered the agenda report (copy attached to the official minutes). The Accountancy Services Manager answered members' questions as follows.

- CRR 86 Contaminated land LSVT sites and orphaned sites in the district - If Allianz broke the contract then perhaps the risk assessment should be higher? *It is anticipated as a rural district that any contamination is low risk as little industrial contamination is expected, and because there have been no claims in the last 15 years since LSVT took place. The reason Allianz chose to exercise the break clause in the contract was that they had originally taken over this contract from Cornhill, and it is not a market they wished to operate in. The original cover was for £100m whereas cover now would be no more than £10m to £20m. The wording of this type of policy had changed considerably since 2001.*
- Three separate risks on page 80 relate to loss of key staff. What are we doing to mitigate against this type of risk? *Difficulty is being experienced in some service areas in recruiting staff into professional roles where their skills are relative to the private sector. Organisationally there is an issue regarding skills shortage which we are seeking to address through strategic risk CRR 08.*
- Why isn't the insurance position set out in the risk history on page 78? *There is work to be done to understand the risk before we can test the market. In the interim we are self-insuring. We are going through an assessment process at present which will be reported back to the Senior Leadership Team.*

RESOLVED

- 1) That the amended Risk Management Policy and Strategy be noted.

- 2) That the current Strategic Risk Register and the internal controls and any associated action plans in place to manage those risks be noted.
- 3) That the current high scoring Organisational Risks and the mitigation actions in place be noted.

RECOMMENDED TO CABINET

That the amended Risk Management Policy and Strategy be approved.

190 **S106 Annual Report**

The committee considered the agenda report (copy attached to the official minutes). The Planning Obligations Monitoring Officer, Design & Implementation Manager and Ms Munns from WSCC and Mr Bleakley from SDNP answered members' questions as follows.

- Caspian Close, Fishbourne – what are the timescales? *Hyde Martlet have advised that they will be starting on site on the 3 affordable rented units at Nicholsfield, Loxwood and drawing down these funds in August..*
- Mr Finch stated that his ward has a strategic site. There are predictable objections from developers preferring that S106 is used for contributions and not CIL. If it takes longer between the project commencing and development starting the local objection is greater and we need to be able to sell neighbourhood plans harder. How do we make sure there is no undue delay in spending monies beyond seven years? *The Council are very much dependent on registered providers spending these funds. We aim to spend the commuted sums in a similar area of the district to the donating site, however many affordable housing schemes take several years to come to fruition and even then the registered providers are under pressure to take up any surplus government funding rather than use the allocated commuted sums. As Government grant is reduced it is likely that demand for the commuted sums funds from the registered providers will increase and that funds will be spent more promptly.*
- Under CIL wards will have a list of projects to put forward and this seems to be a much quicker process than S106. *Infrastructure delivery is dependent upon available funds and there is often a delay. Affordable housing is dependent upon infrastructure and may also be dependent upon funds from a number of S106 contributions for schemes to go forward. This doesn't necessarily relate to a large number of houses. There is a prioritisation process under CIL and a CIL governance officer group has been started to cover these issues to consider how we map funding streams and priorities and then dovetail with the capital spending programme.*
- We appear to have £1m more in contributions than reported in previous years, but we only spent half the value of the contributions. Why are we still keeping the Park and Ride contribution when it has been decided not to pursue this? *We will need to look into the Park and Ride contributions in relation to the wording of agreements. We can only spend the money in accordance with the agreements.*
- Where does the interest for S106 go? *Interest earned on the balance is put back into the S106 pot.*

- What was the problem with the viability assessments at paragraph 9 in the report? *The Council's consultants had undertaken their assessment based on the available information however in relation to the strategic sites not all information had been provided by the developers. Meetings had taken place and we are now awaiting this additional information so the consultants can review the viability assessment and drill down into the finer detail.*
- Graylingwell Hospital, College Lane (page 164) – is there any update on this? *We are aware that an application is on the go to revisit the phasing. Further explanation will be added and an update will be provided in the next report to the committee in September.*
- Query regarding the restriction of school places and how the money comes in. *Ms Munns from WSCC undertook to respond to Mrs Apel on this matter with colleague contact details. She advised that education was not as easy as highways to resolve as County Local Committees considered highways matters and there is a democratic process. Education looks at basic need.*
- Impressed by recent visit to Capron House in Midhurst; how much S106 money was forthcoming to the Council? *This is an example of good partnership working and there were benefits to the Council in respect of tourism etc. However, no financial contribution was due to the Council.*

RESOLVED

- 1) That the income and expenditure between 1 April 2013 and 31 March 2014 in respect of S106 contributions be noted.
- 2) That the information on agreements within two years of expenditure target date be noted.
- 3) That the details of non-financial obligations as set out in Appendix 5 to the report be noted.
- 4) That the update on consultation software set out in section 6 of the report be noted.
- 5) That the current situation with respect to the implementation of Community Infrastructure Levy (CIL) set out in section 9 of the report be noted.

191 **Audit Reports and Progress Report**

The committee considered the agenda report and two audit reports – Records Management and Data Quality in the Contact Centre and Fraud Prevention - which had been circulated by email to members (copy attached to the official minutes). The Principal Auditor gave a verbal update on the Freedom of Information/Data Protection review. The Principal Auditor and Benefits Manager answered questions as follows.

- Query regarding training of staff in the contact centre as to which tier authority handles which service. *The Principal Auditor undertook to request the Customer Services Centre Manager to respond directly to Mrs Apel.*
- What level of training do internal auditors receive? *The Internal Audit team has completed the Public Sector Internal Audit Standard which replaced the Code of Practice for Internal Audit in Local Government. Training of auditors and*

qualifications is covered by the standard. The submission needs to be externally assessed. Guidance relating to the assessment process will be given by the Institute of Internal Auditors..

- When does the change of responsibility come in in respect of fraud? *Transfer of housing benefit fraud will be rolled out over a number of years to the DWP. Our current date is December 2015.*
- Do we have figures for the total fraud recorded and the percentage of recovery? *Figures were not to hand at the meeting and will be forwarded to the committee.*
- Problems in car parking where large sums of cash are involved and therefore potentially the possibility of fraud. What work is going on to prevent this? *Following the recent car parks audit, further audits are programmed annually.*
- EY flagged management override in their report which is a significant risk to the Council in hiding fraud. How does Internal Audit investigate this? And should the committee be asking for an audit of management practices to be carried out? *Internal Audit works closely with the services and the Head of Finance & Governance Services will investigate any concerns. A risk assessment is carried out first to ascertain the scope of an audit. Segregation of duties is considered. We have a whistle blowing policy and an anti-fraud culture. The Head of Finance & Governance Services agreed that it could be useful to do an audit of management ability to override controls, either as a single audit or separately by service as part of other programmed audits and he would investigate this.*

The Principal Auditor presented the amended three year plan to members with the amendments suggested from the previous meeting. He advised the committee that Service Reviews and CIL/S106 audits would be brought forward to Year 1 and the Complaints and Community Wardens audits would be undertaken in Year 2. The Principal Auditor advised that the Service Reviews and CIL/S106 audits would be brought forward to year 1 and the Complaints and Community Wardens audits would be delayed to Year 2.

There had been an issue with recruiting Internal Audit staff recently. Management are currently considering how best to deal with staffing levels in the team.

RESOLVED

That the audit reports, amended three year plan and audit plan progress be noted.

192 Business Continuity

At the last meeting of this committee, members had requested to receive an oral update with regard to data backup issues, a security examination of cloud services and the feasibility of more regular backup of the council's data. The Head of Business Improvement Services advised as follows.

1) Cloud storage – Local government data is restricted and needs to be stored with a data storage house with a Level 2 security rating or above. The majority of current providers are not secure enough. The Socitm review suggested that the Council review the situation in two to three years' time. We have looked at the options and it costs more for off-site storage, however if we go down this route then it would be financially more beneficial to outsource our entire data instead of doing it piecemeal.

2) Data back-up arrangements – Currently a full data back-up is carried out once a week over the weekend (duration of 23 hours) and is then taken to and deposited in the bank in a fireproof safe on Monday morning. The rest of the week each evening a backup of the changes made to the current data is carried out and saved in the Council's fireproof safe the following morning. The risk had been reviewed and considered low risk.

The committee asked the following questions which were answered by the Head of Business Improvement Services.

- What are the security arrangements we work to? *We have to comply with Public Services Network (PSN) regulations. This is an annual accreditation. At the June annual conference with the Cabinet Office it was confirmed that cloud storage was being looked into.*
- What are other authorities doing in this respect? *Most authorities are storing their data in house due to the cost. Each time we go out to procurement on a new IT product or service, we get costs on a number of variations like on-site, hosted service and partial elements delivered in different ways. At a recent review it was £50,000 cheaper to deliver in house than to have a supplier provide a managed service. Every year we negotiate our support and maintenance contracts to reduce costs. Last year we managed to achieve reductions on both Idox and Northgate fees.*

RESOLVED

That the oral update provided with respect to electronic data storage and IT backup arrangements be noted.

193 Exclusion of the Press and Public

RESOLVED

That in accordance with section 100A of the Local Government Act 1972 (the Act), the public and the press be excluded from the meeting during the consideration of the following item on the agenda for the reason that it is likely in view of the nature of the business to be transacted that there would be disclosure to the public of 'exempt information' being information of the nature described in Paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A to the Act and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

194 Report on potential liabilities of outstanding litigation

Ms Golding, Principal Solicitor, reported to the committee on the Council's current on-going legal negotiations.

RESOLVED

That the potential liabilities of the Council be noted.

(Note: The meeting closed at 12.46pm)

(Chairman)

Date: _____

Chichester District Council

Audit results report for the year ended 31 March 2014

September 2014

Ernst & Young LLP



Building a better
working world

Corporate Governance & Audit Committee

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Private & Confidential
Corporate Governance & Audit Committee
Chichester District Council
East Pallant House
1 East Pallant
Chichester
West Sussex
PO19 1YT

9 September 2014

Dear Members,

Audit results report

We are pleased to attach our audit results report for the forthcoming meeting of the Governance & Audit Committee. This report summarises our preliminary audit conclusion in relation to Chichester District Council's (the Council's) financial position and results of operations for the year ended 31 March 2014. We will issue our final conclusion after the Corporate Governance & Audit Committee scheduled for 25 September 2014.

The audit is designed to express an opinion on the 2013/14 financial statements, reach a conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources, and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on the Council's accounting policies and judgments and significant deficiencies in internal control.

This report is intended solely for the information and use of the Corporate Governance & Audit Committee and the Council. It is not intended to be and should not be used by anyone other than these specified parties.

A copy of this report will be sent to the Audit Commission in accordance with the requirements of its Standing Guidance.

We welcome the opportunity to discuss the contents of this report with you at the Governance and Audit Committee meeting on 25 September 2014.

Yours faithfully
For and on behalf of Ernst & Young LLP

Paul King
Ernst & Young LLP
United Kingdom
Enc.

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In March 2010 the Audit Commission issued a revised version of the 'Statement of responsibilities of auditors and audited bodies' (Statement of responsibilities). It is available from the accountable officer of each audited body and via the [Audit Commission's website](#).

The Statement of responsibilities serves as the formal terms of engagement between the Audit Commission's 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 Standing Guidance serves as our terms of appointment as auditors appointed by the Audit Commission. The Standing Guidance sets out additional requirements that auditors must comply with, over and above those set out in the Code of Audit Practice 2010 (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Results Report is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. 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 of the financial statement audit

The Council is responsible for preparing and publishing its Statement of Accounts, accompanied by the Annual Governance Statement. In the Annual Governance Statement, the Council reports publicly on the extent to which it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period. The Council is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for:

- ▶ forming an opinion on the financial statements;
- ▶ forming a conclusion on the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources; and
- ▶ undertaking any other work specified by the Audit Commission.

We also report to the National Audit Office (NAO) under its group instructions.

Summarised below are the conclusions from all elements of our work:

Financial statements

Following the performance of the procedures outlined in our Audit Plan, we anticipate issuing an unqualified opinion on the Council's financial statements. Our main findings in relation to the areas of risk included in our Audit Plan are set out below.

Significant risks:

Significant risk – Risk of Management Override.

Risk:

Management has the primary responsibility to prevent and detect fraud. It is important that management, with the oversight of those charged with governance, has put in place 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.

Results:

There are no significant issues that we need to report to you.

Significant risk- National Non-Domestic Rates (NNDR) rateable value appeals provision:

Risk:

The Business Rates Retention Scheme came into force on 1 April 2013. Under the scheme a proportion of the business rates collected by councils will be retained locally and half paid over to central government. The potential cost of successful rateable value appeals is significant to the Council. There is also a high level of estimation uncertainty in determining an accurate provision for the cost in the financial statements.

Our work focussed on reviewing the accounting transactions made and assessing the reasonableness of the estimation made.

Results:

Based on our work to date we are satisfied that the Council has included a reasonable provision in its financial statements although some work remains outstanding at 9 September for the Council to be able to show that the appeals provision is complete. We will verbally update the 25 September meeting of the Corporate Governance & Audit Committee with our

final findings. Our work has also highlighted some improvements that can be made to the Council's approach to making the estimate that should be considered in the methodology for future years.

Control themes and observations

Our audit detected no significant deficiencies in internal control. There are two issues that we wish to bring to your attention set out in Section 3 of this report.

Summary of audit differences

The financial statements were prepared to a good standard, were well supported by working papers and we received a good level of support from officers. Our audit identified a relatively small number of misstatements in the accounts presented for audit.

Economy, efficiency and effectiveness

Following the performance of the procedures outlined in our Audit Plan, we anticipate issuing an unqualified value for money conclusion.

Whole of Government accounts

We have completed the work required to issue our report to the National Audit Office on the accuracy of the consolidation pack the Council is required to prepare for the Whole of Government Accounts. We have no issues to report.

Audit certificate

The audit certificate is issued to demonstrate that the full requirements of the Audit Commission's Code of Audit Practice have been discharged for the relevant audit year. We expect to issue the audit certificate at the same time as the audit opinion.

2. Scope update

Our 2013/14 audit work has been undertaken in accordance with the Audit Plan that we issued in June 2014 and is conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

Our work comprises a number of elements. In our Audit Plan, we provided you with an overview of our audit scope and approach for the audit of the financial statements, our conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources, and the work that we are required to perform in respect of the Whole of Government Accounts return.

We carried out our work in accordance with our Audit Plan.

3. Significant findings from the financial statement audit

In this section of our report, we outline the main findings from our audit of your financial statements, including our conclusions in relation to the areas of risk outlined in our Audit Plan.

Significant risk 1 – Risk of Management Override

Risk

As identified in International Standards on Auditing 240 UK & Ireland (ISA 240 UK&I), management is in a unique position to perpetrate fraud because of their ability to directly or indirectly manipulate accounting records 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.

We:

- ▶ tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- ▶ reviewed accounting estimates for evidence of management bias; and
- ▶ evaluated the business rationale for significant unusual transactions

Our approach focussed on:

- ▶ Considering representations from management, internal audit and the Corporate Governance & Audit Committee.
- ▶ Reviewing significant non-routine year end transactions and estimates including journals, accruals, provisions and cut off arrangements.

Our findings:

- ▶ We have received all requested assurances and our review of these has not identified any new risks.
- ▶ Our testing did not highlight any significant issues.

Significant risk 2 – National Non Domestic Rates (NNDR) rateable value appeals provision

Risk

The Business Rates Retention Scheme came into force on 1 April 2013. Under the scheme a proportion of the business rates collected by councils will be retained locally and half paid over to central government.

The level of NNDR paid on business property depends on its 'rateable value'. This is calculated by the Valuation Office Agency (VOA).

Where local businesses believe the current value for business properties is wrong they can:

- ▶ appeal to the VOA and ask them to correct details; and
- ▶ appeal the rates if the local business and the VOA can't agree. This appeal is heard by a valuation tribunal.

Where rating appeals are successful, a proportion of the monies to settle the appeals will come out of the Council's funds and will also impact on other local public bodies that are entitled to a share of the NNDR collected by the Council. This includes not only claims from 1 April 2013 but also claims that relate to periods before the introduction of the business rates retention scheme. As appeals are to the Valuation Office, authorities may not be aware of the level of claims. Appeals can be speculative in nature and multiple appeals can be made against the same property and valuation on different grounds.

The potential cost of successful rateable value appeals is significant to the Council. There is also a high level of estimation uncertainty in determining an accurate provision for the cost in

the financial statements.

We:

- ▶ sought to understand and assess the reasonableness of the Council's methodology in estimating any planned provision in respect of rateable value appeals outstanding at the balance sheet date.
- ▶ considered both the completeness and accuracy of the data on the number of appeals outstanding and the basis for the assumptions made by the Council on the likelihood of success.

Our approach focussed on:

- ▶ Reviewing the assumptions the Council used when calculating their estimate.
- ▶ Reviewing the completeness of the appeals included in the Council's estimate.

Our findings:

Based on our work to date we are satisfied that the Council has included a reasonable provision in its financial statements although some work remains outstanding at 9 September.

The Council has developed a model to estimate the provision included in the financial statements which we have reviewed. This is based on historic rateable value data from the 2005 and 2010 valuation listings. The Council has used this, together with information provided by the VOA on appeals outstanding at the end of 2013/14 against the 2005 and 2010 valuations, to determine the total rateable value of properties subject to appeal and estimate the likely cost of successful appeals. The Council independently commissioned external consultants to arrive at an estimate of the provision required. The work of the external consultants was also based on information provided by the VOA detailing appeals outstanding at the balance sheet date.

As part of work we identified two weaknesses in the Council's model:

- ▶ The estimate of the success rate used to inform the provision is based purely on professional judgement rather than any historical analysis of the actual success rate of appeals in the District.
- ▶ No allowance is made in the provision for appeals against the 2005 and 2010 valuations not yet lodged at the balance sheet date, meaning that the provision is understated. The Council originally disclosed that it was not possible to quantify appeals not yet lodged at the balance sheet date as part of the contingent liability disclosure in its financial statements.

We note that the provision calculated using the Council's model and included in the financial statements is within six per cent of the provision independently calculated by the external consultant. We also note that the Council intends to monitor actual success rates in the future to better inform its own model used to estimate the provision.

In light of these issues we asked the Council to undertake further work to determine whether there were any significant ratepayers that had not lodged an appeal at the balance sheet date, and whether there was any information the Council was aware of that may indicate those ratepayers are likely to lodge such an appeal. In response to this the Council considered its 30 largest business ratepayers. As at 9 September the Council is continuing to undertake this additional work. We will fully review the work when complete to satisfy ourselves that the provision is not materially understated and we will verbally update the 25 September meeting of the Corporate Governance & Audit Committee with our findings. The disclosure of appeals not yet lodged as a contingent liability has been removed from the amended financial statements.

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control.

We identified no significant deficiencies in internal control. There are, however, two matters which we wish to bring to your attention.

When the Council transferred housing stock in 2001 to Chichester District Community Housing Limited (now Hyde Housing Association Limited) the Council entered into an agreement with the housing association to claw back a proportion of any subsequent proceeds of sale of the transferred dwellings under right to buy and shared ownership legislation. Our testing of debtors identified that the Council is reliant on information provided by the Housing Association on the sale proceeds from disposals in calculating the amount owed to it each year. Inaccurate information was provided by the Housing Association to the Council in 2012/13, but this was not detected until 2013/14. We are satisfied that a correction was made for this in 2013/14 and that the issue is not material to our responsibilities.

The Council accounts for all contributions received under Section 106 of the Town and Country Planning Act as revenue contributions on its balance sheet. It should review its current process to determine whether some or all of the receipts should be properly accounted for as capital contributions in its financial statements.

3.1.1 Summary of Audit Differences

In the normal course of any audit, we identify differences between amounts we believe should be recorded in the financial statements and amounts actually recorded. These differences are classified as either 'known' or 'judgemental'. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

We have asked the Council to correct all misstatements over £72,000. It has made an adjustment to correct a misclassification between other sundry debtors and other local authority and public body debtors at Note 13 to the financial statements, This has reduced other sundry debtors by £415,500 and increased other local authority and public body debtors by £415,500. The adjustment made impacts on classification within the debtors note only. One further adjustment has been made to correct a debtor balance that had been incorrectly netted off. This has the impact of increasing both debtors and creditors by £75,000. The only other amendments made to the financial statements were minor and related to presentation and disclosure. There were no uncorrected misstatements.

4. Economy, efficiency and effectiveness

The Code of Audit Practice sets out our responsibility to satisfy ourselves that the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. In examining the Council's corporate performance management and financial management arrangements we have regard to the following criteria and areas of focus specified by the Audit Commission:

- ▶ arrangements for securing financial resilience – whether the Council has robust systems and processes to manage financial risks and opportunities effectively, and to secure a stable financial position that enables it to continue to operate for the foreseeable future; and
- ▶ arrangements for securing economy, efficiency and effectiveness – whether the Council is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

We did not identify any significant risks to the value for money conclusion, but we did identify one other risk regarding the ongoing financial pressures facing the Council in our Audit Plan. The table below summarises the findings from our work:

Other Risk – Council Spending

The Audit Commission produces value for money and financial ratio profiles for local authorities on an annual basis. This provides an indication of the relative spending of an individual authority against a comparator group of statistical nearest neighbours which are similar in terms of population, expenditure, and geographical area.

Our review of the 2012/13 VFM profile data showed that although the net level of Council spending after consideration of income received from fees and charges was low, the absolute level of spending on services was high relative to others. During 2013/14 the Council has continued to experience reductions in income for some service areas and has projected a shortfall on income budgets throughout the period.

In common with the majority of local government the Council continues to face significant financial challenges, and recognises a number of risks and uncertainties that could impact on its medium term financial plans. A clear focus on addressing high cost areas continues to be essential to the economy, efficiency and effectiveness of services delivered and the overall financial resilience of the Council. The successful delivery of the Council's deficit reduction plan agreed in May 2013, as part of its updated medium term financial plans, is therefore a significant factor in the Council being able to maintain its sound financial position.

Our approach focussed on:

- ▶ An assessment of the Council's relative spending based on updated value for money profile data. In particular, this will consider the high absolute level of spending of the Council relative to others suggested by the 2012/13 value for money analysis and the impact of any reductions in income on the relative net level of spending at the Council.
 - ▶ Consideration of the robustness of the Council's medium term financial plans, considering in particular progress made in delivering the deficit reduction programme and the recent refresh of the Council's medium term financial strategy (MTFS) in December 2013 and the assumptions that underpin it.
-

Our findings:

Value for money profile data

We have used the latest available value for money profile data, largely relating to financial year 2012/13, to review the cost and efficiency of Council services relative to both its statistical nearest neighbours and all other district councils. The analysis suggests that the Council's costs per capita relative to its statistical nearest neighbours remains relatively high. However, the value of income generated from fees is in the top 5 per cent of its statistical nearest neighbour grouping resulting in an average council tax financing requirement compared to statistical nearest neighbours. The absolute level of net service spending is average relative to both statistical nearest neighbours and all district councils, although net spending per head of population is relatively high. The level of spending on individual service areas generally matches performance outcomes and the priorities of the Council.

The Council's medium term financial plans

The Council's financial position remains sound at the end of 2013/14 and it continues to be financially resilient with a surplus of £827,000 delivered against the General Fund budget. The minimum level of working balances deemed appropriate is set at £5 million for the General Fund. The actual level of unallocated balances at the end of 2013/14 is higher than the minimum, with approximately £8 million of General Fund reserves. The Council also held a further £24.5 million of other usable reserves at the end of 2013/14.

In common with most public sector bodies, recent government spending reviews and financial settlements have had a significant impact on the Council. The financial challenge facing the Council is clearly set out in its Medium Term Financial Strategy (MTFS) which was refreshed during the year and now covers the period 2014/15 to 2018/19. The impact of reductions in funding is the key driver of the projections in the MTFS. We are satisfied that the MTFS has been properly updated in light of the current economic climate, particularly through projected reductions in available funding, inflation and the impact of recent legislative changes, for example welfare reform and the localisation of council tax support and business rates. The Council has also not used New Homes Bonus grant funding to balance its revenue budget and in general takes a prudent approach to financial management. There is a good track record of delivering efficiencies that have produced savings and the Council has an established deficit reduction programme.

However, the scale of the financial challenge faced by the Council continues to grow. It anticipates further funding reductions over the medium term which, without intervention, would create a deficit in its revenue position. The current MTFS projects that small surplus will be made each year without the need to call on reserves through to 2016/17. However, the model forecasts small but increasing deficits in 2017/18 and 2018/19 unless current shortfalls on income budgets are addressed or further cost savings made.

5. Status of our work

5.1 Financial statement audit

Our audit work in respect of our opinion on the Council's financial statements is substantially complete. The following items relating to the completion of our audit procedures were outstanding at the date of this report.

Item	Actions to resolve	Responsibility
Letter of representation	<ul style="list-style-type: none"> ▶ To be tabled at the Corporate Governance & Audit Committee on 25 September 2014. 	Management and Corporate Governance & Audit Committee
Annual accounts	<ul style="list-style-type: none"> ▶ Council completion and EY review of additional work undertaken by the Council to assess the impact on the NNDR rateable value appeals provision of appeals not yet lodged at the balance sheet date. ▶ EY receipt and consideration of assurances requested from the auditor of West Sussex Pension Fund. ▶ Approval of accounts by the Corporate Governance & Audit Committee. ▶ Accounts re-certified by the Head of Finance and Governance Services. 	Management, Corporate Governance & Audit Committee and EY

On the basis of our work performed to date, we anticipate issuing an unqualified auditor's report in respect of the Council's financial statements. However, until we have completed our outstanding procedures, it is possible that further matters requiring amendment may arise.

5.2 Economy, efficiency and effectiveness

Our work in respect of our conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources is complete.

We expect to present an unqualified value for money conclusion in regard to the Council's arrangements to ensure economy, efficiency and effectiveness in its use of resources.

5.3 Objections

At the date of writing this report we have received no objections from members of the public.

6. Fees update

A breakdown of our agreed fee is shown below.

	Proposed final fee 2013/14 £'000	Planned fee 2013/14 £'000	Scale fee 2013/14 £'000
Total Audit Fee – Code work	64,553	64,553	64,553
Certification of claims and returns	5,456*	5,456	5,456

**Our fee for certification of grants and claims is yet to be finalised for 2013/14 and will be reported to those charged with governance in December 2014 within the Annual Certification Report for 2013/14.*

Our proposed final fee is in line with the agreed fee.

7. Independence confirmation update

We confirm there are no changes in our assessment of independence since our confirmation in our Audit Plan dated June 2014. We complied with the Auditing Practice's Board's Ethical Standards for Auditors and the requirements of the Standing Guidance and in our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.

We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you consider the facts of which you are aware and come to a view. If you wish to discuss any matters concerning our independence, we will be pleased to do so at the forthcoming meeting of the Corporate Governance & Audit Committee on 25 September 2014.

Appendix A Required communications with the Governance and Audit Committee

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

Required communication	Reference
Terms of engagement	The Statement of responsibilities serves as the formal terms of engagement between the Audit Commission's appointed auditors and audited bodies.
Planning and audit approach Communication of the planned scope and timing of the audit including any limitations.	Audit Plan
Significant findings from the audit	Audit Results Report
<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) 	
Misstatements	Audit Results Report
<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 	
Fraud	Letter from Chair of Corporate Governance & Audit Committee
<ul style="list-style-type: none"> ▶ Enquiries of the Corporate Governance & 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 	
Related parties Significant matters arising during the audit in connection with the entity's related parties including, when applicable:	Audit Results Report
<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 	
External confirmations	Not Applicable
<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 	

Required communication	Reference
Consideration of laws and regulations	
<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 & 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 Committee may be aware of 	Letter from Chair of Corporate Governance & Audit Committee
Independence	
<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 partner'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 	Audit Plan and update in section 7 of this report
Going concern	
<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 	Audit Results Report
Significant deficiencies in internal controls identified during the audit	Audit Results Report
Fee reporting	
<ul style="list-style-type: none"> ▶ Final, planned and scale fee broken down into the headings of Code audit work; certification of claims and returns; and any non-audit work (or a statement to confirm that no non-audit work has been undertaken for the body). 	Audit Plan, Audit Results Report and Annual Audit Letter
Summary of certification work undertaken	
<ul style="list-style-type: none"> ▶ Annual report to those charged with governance summarising the certification work undertaken 	Annual Certification Report – to be issued in December 2014.

Appendix B Letter of representation

To:
Paul King
Director
Ernst & Young LLP
Wessex House
19 Threefield Lane
Southampton
SO14 3QB

Chichester District Council - Audit for the year ended 31 March 2014

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other directors of Chichester District Council, the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31 March 2014:

A. Financial Statements and Financial Records

I have fulfilled my responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the CIPFA Code of Practice on Local Authority Accounting (CIPFA Code).

I acknowledge my responsibility for the fair presentation of the financial statements. I believe the financial statements referred to above give a true and fair view of the financial position, financial performance and cash flows of the Council in accordance with the CIPFA Code and are free of material misstatements, including omissions. I have approved the financial statements.

I confirm that as the Responsible Officer I have:

- ▶ reviewed the accounts;
- ▶ reviewed all relevant written assurances relating to the accounts; and
- ▶ made other enquiries as appropriate.

The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.

I believe that the Council has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA Code that are free from material misstatement, whether due to fraud or error.

B. Fraud

I acknowledge that I am responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud

I have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

C. Compliance with Laws and Regulations

I have disclosed to you all known actual or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.

D. Information Provided and Completeness of Information and Transactions

I have provided you with:

- ▶ access to all information of which you are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters as agreed in terms of the audit engagement;
- ▶ additional information that you have requested from us for the purpose of the audit; and
- ▶ unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

All material transactions have been recorded in the accounting records and are reflected in the financial statements.

I have made available to you all minutes of the meetings of the Council and its relevant committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on 25 September 2014.

I confirm the completeness of information provided regarding the identification of related parties. I have disclosed to you the identity of the Council related parties and all related party relationships and transactions of which I am aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.

I have disclosed to you, and the Council has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

E. Liabilities and Contingencies

All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

I have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

I have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in the financial statements all guarantees that I have given to third parties.

F. Subsequent Events

Other than described in the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

G. Accounting Estimates

I believe that the significant assumptions I used in making accounting estimates, including those measured at fair value, are reasonable.

In respect of accounting estimates recognised or disclosed in the financial statements:

- ▶ I believe the measurement processes, including related assumptions and models, used in determining accounting estimates is appropriate and the application of these processes is consistent.
- ▶ The disclosures relating to accounting estimates are complete and appropriate in accordance with the applicable financial reporting framework.

- ▶ The assumptions used in making accounting estimates appropriately reflects our intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures.
- ▶ No subsequent event requires an adjustment to the accounting estimates and disclosures included in the financial statements.

H. Segmental reporting

I have reviewed the operating segments reported internally to the Board and I am satisfied that it is appropriate to aggregate these as, in accordance with IFRS 8: Operating Segments, they are similar in each of the following respects:

- ▶ The nature of the products and services
- ▶ The nature of the production processes
- ▶ The type or class of customer for their products and services
- ▶ The methods used to distribute their products

I. Going Concern

I have made you aware of any issues that are relevant to the Council's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

Signed on behalf of Chichester District Council

I confirm that this letter has been discussed and agreed by the Corporate Governance & Audit Committee on 25 September 2014.

Signed:

Name: John Ward

Position: Head of Finance and Governance Services

Date: 25 September 2014

Signed:

Name: Councillor P M Tull

Position: Chair of the Corporate Governance & Audit Committee

Date: 25 September 2014

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Chichester District Council

CORPORATE GOVERNANCE AND AUDIT COMMITTEE 25 September 2014

Statement of Accounts for 2013-14

1. Contact(s)

Report Authors:

John Ward – Head of Finance and Governance Services
Telephone: 01243 534805 Email: jward@chichester.gov.uk

David Cooper - Group Accountant
Telephone: 01243 534733 E-mail: dcooper@chichester.gov.uk

2. Recommendation

2.1. That the Statement of Accounts shown in Appendix 1 for the financial year ended 31 March 2014 be formally adopted.

2.2. That the Letter of Management Representation shown in Appendix 2 is agreed.

3. Main Report

3.1. Introduction

3.1.1 The Accounts and Audit Regulations 2011 set out the requirements for the production and publication of the annual Statement of Accounts. These regulations require that the following procedures are adhered to for the approval and publication of the annual accounts:

- No later than 30 June following the financial year end the responsible financial officer must certify the Statement of Accounts before they are passed to the auditor.
- The responsible financial officer must re-certify the presentation of the Statement of Accounts before member approval is given.
- The Statement of Accounts must be published with the audit opinion and certificate, and before must have been approved by members. The Council must also secure approval and publication by no later than 30 September.

3.1.2 The Head of Finance and Governance Services, the Council's responsible financial officer, certified the draft Statement of Accounts as authorised for issue on 20 June 2014. The draft statements were then passed to the Council's external auditors, Ernst & Young LLP. The draft Statement of Accounts was also placed on deposit for public inspection for the period 7 July 2014 to 1 August 2014.

- 3.1.3 Ernst & Young LLP commenced their audit in July, and at the time of writing this report are in the final stages of completing their audit work. The audit has gone well with only two minor misstatements requiring correction to the accounts presented in June (as outlined in paragraph 3.3), and needed to be brought to the attention of members. It is anticipated that Ernst & Young LLP will issue their unqualified opinion on the accounts before the end of September. The Audit Director will be presenting his audit findings to the committee ahead of this report.
- 3.1.4 At the request of members, finance officers presented the Draft Statement of Accounts to this Committee at its meeting in June. The officers navigated members through the principal statements and answered questions raised by the Committee. The focus of this report is only on significant issues or changes that have arisen as a result of the audit.

3.2. The Statement of Accounts

- 3.2.1 The Statement of Accounts, as defined in the regulations and specified in the relevant sections of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Accounting Code of Practice comprises:
- An explanatory foreword
 - Statement of Responsibilities for the Statement of Accounts
 - The accounting statements
 - A statement of accounting policies
 - Notes to the accounts.

The Council's audited Statement of Accounts for approval is attached in Appendix 1. Interpretation of the accounts highlighting key issues is contained within the explanatory foreword of the Statement of Accounts.

3.3. Changes to the accounts arising as a result of the audit

- 3.3.1 The Audit Director will be attending the committee meeting to present the Audit Results report to members. As a result of the audit, two minor misstatements were identified that has been agreed by management and reflected in the Statement of Accounts:
- a) During the closedown of the accounts for 2013-14, it was identified that the Council had received some £75,000 more than it was due under the Right to Buy Sharing Agreement in 2012-13. When the draft financial statements were prepared this sum had been netted off from the amount due for 2013-14. The impact of this correction has increased the figures shown in the Balance Sheet for both Short Term Debtors and Short Term Creditors by £75,000.
 - b) We also identified a misclassification in Note 13 Short Term Debtors between Other Sundry Debtors and Other Local Authorities and Public Bodies. This adjustment has increased Other Local Authorities and Public Bodies by some £416,000 and reduced Other Sundry Debtors by the same amount.

The only other amendments made to the financial statements were minor and related to presentation and disclosure.

3.4. Letter of Management Representation

3.4.1 The Letter of Management Representation is issued by the Council to its external auditor as audit evidence, and is used so that the Council's management can declare in writing that the financial statements and other information presented to the auditor are sufficient and appropriate and without omission of material facts to the best of the management's knowledge.

3.4.2 The Letter of Management Representation for the period ended 31 March 2014 is shown in Appendix 2. Members of this committee are requested to agree the letter, and authorise the Head of Finance and Governance Services (the Council's Responsible Finance Officer) and the Chairman of the committee to sign the letter on behalf of the Council.

4. Appendix

4.1. Appendix 1 – Statement of Accounts 2013-14

4.2. Appendix 2 – Letter of Management Representation

5. Background Papers

5.1. None.

Corporate Governance - Report to Full Council

1. Contacts

Stephen James - Principal Auditor,
Tel 01243 534736 Email: sjames@chichester.gov.uk

2. Recommendation

To consider the draft report in Appendix 1 and request that full Council approve the annual report on Corporate Governance.

3. Main Report

All members have a responsibility for Corporate Governance. However, the Committee is charged with identifying and looking at key risk areas in greater depth. This is to provide assurance to the council and members that its business is conducted in accordance with the law and proper standards; that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

Under its terms of reference the Committee is required to report to Full Council each year, or at any time where significant issues or concerns are raised on Corporate Governance and the internal arrangements in place to monitor and control risks. Attached to this report at Appendix 1 is a draft report to Council to fulfil this requirement for the committee to consider.

The draft governance statement and assertions made has been audited by EY (Ernst & Young). The statement is attached to this report in Appendix 2.

CIPFA guidance requires an Annual Report of Partnerships to be produced see Appendix 3.

In order to sign up to such a statement, members of the committee will need assurance that key systems are in place within the council. As such the council's internal audit service has the responsibility to review independently and report to Committee, and as such have drafted the attached reports.

4. Human Rights and Equality Impact

None

5. Appendices

Appendix 1 – Draft Report of Corporate Governance and Audit Committee to Council
Appendix 2 - Draft Annual Governance Statement 2013-14

Appendix 3 – Annual report of Partnerships 2013-2014

Appendix 4 – Annual Report on the effectiveness of Internal Audit Section 2013-1

6. Background Papers

Evidence in support of annual governance statement 2013/ 2014

Chichester District Council

Council Meeting – 16 December 2014

Draft Report of Corporate Governance and Audit Committee

Background

The council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

To this end members and senior officers are responsible for ensuring that proper arrangements exist for the governance of the Council's affairs and stewardship of its resources.

In November '13 the Corporate Governance & Audit Committee considered the Strategic and Organisational risk registers to ensure the adequacy of the Council's actions to control and manage risks.

In June '14 the Accountancy Services Manager met with the Heads of Service to re-assess all the Organisational Risks to ascertain if the risks still apply, and whether the initial risk score was correct or not. Where the risk was still relevant, they were re-scored taking into the account the mitigating action. Of the 11 Strategic Risks 8 have been scored as high, these will be reviewed on a quarterly basis by CMT and considered by the Strategic Risk Group.

During 2013/2014 the eight highest risks identified in the Corporate Risk Register were:

- **Deficit Reduction (Balanced Budget):** That the council is unable to set a balanced budget. This is an on-going risk.
- **Visions Priorities:** Lack of clear vision and priorities that is forward looking with members and officers not adhering to shared visions and priorities.
- **Health & Safety:** Failure to adhere to H&S policies and procedures leading to the death or injury of an employee or third party resulting in prosecution.
- **Local Plan:** Failure to have an approved plan in place to protect the local environment and to deliver Housing Targets for the District. Council unable to collect Community Infrastructure Levy.
- **Project Management:** Failure to deliver key projects due to ineffective programme and / or project management skills.
- **Cessation of the Agency: Arrangement for South Downs National Park:** Failure to reach agreement for the delivery of planning services on behalf of the SDNP leading to conflict, unclear expectations which could impact on the financial arrangements of the contract.

- **Business Continuity:** That a business continuity incident occurs and the organisation fails to respond effectively and continue to deliver services.
- **Contract Management:** Failure to manage contracts where contractor or key partner fails to deliver goods and / or services which prevents the council from delivering its corporate plan objectives for both projects and services.

The Council has taken early action as the current financial crisis started and has, over the last four years achieved almost £5.8m of savings. This has enabled the Council to set balanced budgets without the need to draw against reserves. Current predictions are that there is a need to find further savings to maintain a balanced position. The council will need to save a further £2.4m over the next five years and there is a plan to deliver this. Cabinet have agreed the Deficit Reduction Plan of £2.4m but officers and members will keep this under review.

Annual Governance Statement

The Annual Governance Statement has been prepared in accordance with the CIPFA / SOLACE guidance on “Delivering Good Governance in Local Government”. The Statement clearly sets out the 6 fundamental principles of good governance:

- Determining the council’s purpose, its vision for the local area and intended outcomes for the community.
- Members and officers working together to achieve a common purpose with clearly defined functions and roles.
- Promoting our values and upholding high standards of conduct and behaviour.
- Taking informed and transparent decisions and managing risk.
- Effective Management – capacity and capability of members and officers.
- Engaging with local people and other stakeholders to ensure robust accountability.

CIPFA guidance also requires an Annual Review of Partnerships which has been produced by Internal Audit.

Internal Audit reviewed a sample of Partnerships to see whether the appropriate governance arrangements were in place. From the sample selected some of the Partnerships had been set up without referring to the partnership guidance. The guidance states that all partnerships that the council is involved in must have the following in place:

- Terms of Reference
- Action Plan with SMART (Specific, Measurable, Achievable, Realistic and Time Bound) outcomes, outcome measures and planned timescales.
- Risk Assessments
- Exit Strategy
- Lines of Accountability
- Regular Reviews
- Set financial arrangements

- Partnership register, to contact the Policy Officer when setting up a new partnership or reviewing an existing one in order for the partnership register to be kept up to date.

In some cases information relating to Partnerships has been taken from the Service's Service Plan, when reviewing these further some had been incorrectly classified as a Partnership. The Policy Officer will be contacting the relevant services to discuss the information on their service plans.

It is recommended that staff refer to the guidance when forming or reviewing a Partnership.

Significant Issues & Risks

The drafting of the Annual Governance Statement has highlighted some risks that have come to light which are receiving attention from those charged with governance.

- **The impact on the Council and the future Grant settlement calculation and loss of external income streams**
The council has identified likely reductions from government and from local income streams. The report to cabinet "Transformation of Council Services" emphasised the need to continue to plan for the future and to be able to "flex the model" should the need arise. The implementation of the Deficit Reduction Plan will identify efficiencies or increased income to address the expected shortfall by 2017/2018.
- **Business Continuity**
Zurich has undertaken a Business Impact Analysis which was reported to CMT in June '13. The council has decided to replace Shadow Planner and to replace it with a simplified version that will be kept on the Councils X drive. Work is continuing to complete the non-critical plans, in the meantime should an emergency last for more than three days the information held on Shadow Planner would be used. No formal testing of the major systems has been undertaken in 2013/2014.
- **Emergency Planning**
A peer review has been undertaken by West Sussex County Council giving an "Emergency Planning Health Check". In February '14 the Head of Environment and Housing undertook an Emergency Planning review for CMT. The review also highlighted West Sussex County Councils plans for the future.
- **Westgate Centre Carbon Trust contract**
The council has been out to tender for the replacement of the CHP's, unfortunately no tenders were received. A revised tender is being prepared for a revised solution.
- **Failure of the Local Plan**
The Council have submitted the Local Plan to the Government and are awaiting their opinion as to whether the plan can be classified as sound.

Other than those areas set out above, which are themselves subject of further on-going review, members of the Committee are assured that key systems are in place within the council. This is supported by the internal audit service, which has the responsibility to review independently and report to Committee.

Chichester District Council

Draft Annual Governance Statement 2013-2014

1. Scope of responsibility

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

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

The Accounts and Audit (England) Regulations 2011 require every council to agree and publish an Annual Governance Statement (AGS).

CIPFA have produced an "Application Note to Delivering Good Governance in Local Government: A Framework". This application note builds on the governance requirements of an authority's AGS. In updating this AGS, the application note has been considered.

2. The purpose of the governance framework

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

The system of internal control is designed to manage risk to a reasonable level; it cannot eliminate risk completely and therefore provides reasonable and not absolute assurance of effectiveness. It is based on an on-going process designed to identify and prioritise the risks to the achievement of the council's policies, aims and objectives, to evaluate the likelihood and impact should they be realised and to manage them efficiently, effectively and economically.

The council adopted the CIPFA/SOLACE Framework in March 2002 which is in place at the 31st March 2014.

3. The Principles of Good Governance

The CIPFA/SOLACE framework Delivering Good Governance in Local Government sets out six core principles of good governance, these are:

3.1. Determining the council's purpose, its vision for the local area and intended outcomes for the Community

Although the Sustainable Community Strategy for Chichester District 2009-2026 is no longer a statutory document the council continues to be informed by the priorities identified in it. These are developed further through the corporate plan that sets out the council's contribution to this partnership document. The council measures its key priorities by a range of performance indicators which are set out within the Corporate Plan and monitored through Covalent the council's performance monitoring software. Reports on the progress of these performance indicators are available on the council's internet site. In addition the Sustainable Community Strategy sets the vision for working in Partnerships with other local and national organisations supported by the Local Strategic Partnership (LSP) – Chichester in Partnership, including the publication of a consultation exercise undertaken with partners and stakeholders on behalf of the Local Strategic Partnership.

Cabinet agreed the key financial principles of the 5 year financial strategy, which included continuing to review the council's costs in order to find further savings. A Task and Finish Group meets to discuss the budget, and reviews what is happening in the year and the effect for the New Year. All savings identified are reported on the member's bulletin board, the last being September '14.

The council publishes its Annual Financial Accounts in accordance with the CIPFA guidelines and is committed to rebalancing public finances through a series of expenditure cuts. Uncertainty surrounds the current economic and financial climate and in particular public sector spending plans and it is clear that cuts to government funding to local councils will continue.

The council continues to track national events, quantifying local impact and taking early action to manage the impact. The objective is to put the council in the best possible position to deal with the financial issues it faces whilst still protecting the most vulnerable members of the community. It is important that the issues and the scale of the financial position are understood and the council is committed to finding solutions and options. A five year Financial Strategy and Plan was taken to Cabinet in December '13 and detailed the challenges facing the council to provide services that meet Community needs with a significantly reduced overall level of resource. The Council is anticipating further funding reductions over the course of the next five years and are projecting a deficit on our revenue position that must be addressed if we are to comply with the legal requirement of setting a balanced budget each year.

3.2. Members and Officers working together to achieve a common purpose with clearly defined functions and roles.

The council's Constitution clearly defines the roles and responsibilities of the Chief Executive, Chief and Senior Officers, Members and Committees and outlines procedural standards, scheme of delegation and protocol on Member/Officer relations. The constitution was fully reviewed, updated, and considered by Cabinet and approved by Council in May '13 subsequent minor revisions were made in July '13 and a further revision to take account of the new management structure was made in March '14. The Leader, Cabinet Members and the Committee Chairmen and deputies receive verbal briefings from the Senior Officers on a regular basis and all Members receive pre-Council briefings and workshops in particular the Local

Plan. Members receive monthly bulletins through the council's intranet site, and attend workshops to keep them informed of new developments.

The Principal Solicitor is the council's Monitoring Officer who is responsible for legal compliance and works with departments to advise on legal issues across the Council.

The Head of Finance & Governance is the assigned Section 151 Officer; overall financial responsibilities for this role are detailed within the Constitution. From the 1st April '14 the management structure has changed and the Head of Finance & Governance now sits on the Strategic Leadership Team. The Head of Finance & Governance also reports directly to the Chief Executive, therefore satisfying CIPFA's Role of the Chief Financial Officer.

Partnership Guidance published in 2012 was introduced to assist staff when setting up a Partnership. A central register of all partnerships is maintained so that governance arrangements can be monitored. High risk partnerships (Strategic & Operational) have been identified where the council is most at risk.

3.3. Promoting our Values and Upholding High Standards of Conduct and Behaviour

The culture of the organisation is founded upon good organisational performance, external recognition, high staff morale and good employee attitude to internal controls. The Workforce Development Plan 2010-2014 sets the council's vision for providing good quality relevant services to the community, while the Constitution incorporates a Member's and Employees Code of Conduct and a protocol on Members/staff relations. Members conduct is monitored by an assessment sub-committee under the umbrella of the Standards Committee who also investigates allegations of misconduct by Parish Councillors. The Council's monitoring officer will review the case together with an independent person and a decision will be made as to whether there is a case to answer. If a decision is made that there is a case to answer it would be referred to the hearing Sub committee.

There is a complaints procedure in place for the council to receive and investigate any complaints made against its Members or staff as well as a Register of Interests.

The council takes fraud and corruption and maladministration very seriously, the culture of the council sets the foundation for the prevention of fraud and corruption by creating an environment that is based upon openness and honesty in all council activities and has the following policies in place, which aim to prevent or deal with such occurrences:

- Anti-Fraud and Corruption Policy
- Whistleblowing Policy – There were no Whistleblowing cases in 2013-2014.
- HR Policies regarding discipline of staff – The number of staff dismissed in 2013-2014 was 1.

The council's Anti-Fraud and Corruption Policy is reviewed annually and any amendments are subject to the approval of the Corporate Governance and Audit Committee.

A new Members Code of Conduct was adopted by the council in October 2012. The code details the general obligations of members of Chichester District Council. It is

the member's responsibility to comply with the provisions of the code. There is also a register of member's interests which is available on the council's website.

The council has a Corporate Complaint Procedure, forms and guidance for which is available on the council's website. Results of complaints investigated together with the report on all complaints dealt with by the Local Government Ombudsman are reported annually to the Corporate Governance and Audit Committee.

3.4. Taking informed and transparent decisions and managing risk

All cabinet reports are authorised by the relevant Executive Director and reviewed by Legal & Finance before they are presented to the cabinet. The Head of Finance & Governance and the Monitoring Officer will attend if required, answering specific questions raised by Members.

The council's risk register is reviewed regularly and presented to the Corporate Risk Group which is SLT plus Key Members. Job descriptions of Senior Officers reflect their "Risk Management Responsibilities" and Internal Audit's Annual Audit Plan is drawn up using a risk-based approach, commenting on Risk Management in the area under review in their report. On an annual basis the Council's Risk Register which includes new and emerging risks is presented to the Corporate Governance and Audit Committee and then onto Cabinet. During 2013/2014 the eight highest risks identified in the Corporate Risk Register were:-

- Deficit Reduction (Balanced Budget)
- Vision / Priorities
- Health & Safety
- Local Plan
- Project Management
- Cessation of Agency arrangement for South Downs National Park
- Business Continuity
- Contract Management

Major projects incorporate a full risk assessment prior to action being taken. As the project progresses a risk assessment is included in the Project Initiation Document (PID) to committee and during the project risks are reviewed with the cabinet member concerned and updated as necessary.

The council's insurers Zurich prepared a Business Impact Analysis and reported their findings to CMT in June '13. The Health & Safety Manager has worked with services to implement Zurich's findings for services that are deemed critical and ensure business continuity plans are prepared. No formal testing of the major systems has been undertaken in 2013/2014. A decision was made in November 2013 to cease using Shadow Planner and to replace it with a simplified system which would be stored on the Council's X drive. Heads of Service will have a copy on their desktop on their Laptops, they also have options to store key documents on either their phones or an encrypted memory stick. The systems would be categorised as critical (systems up and running in 3 days) and non-critical (over 3 days). Work is continuing to complete the non-critical plans, in the meantime should an emergency last for more than three days the information stored on Shadow Planner would be used. The Health & Safety Manager will test the robustness of the plans when they have been completed.

The Emergency Planning process was managed by the Assistant Director Environmental Health and has subsequently transferred to the Head of Environment and Housing. The service has successfully responded to incidents of flooding and the winter storms along the coast. The Assistant Director Environmental Health produced a report which detailed the background of the Emergency Planning process and made four recommendations on how the service could be carried forward and also how it could be staffed. During 2013/2014 very little progress was made with carrying the Emergency Planning process forward, this was due in part to the fact that there was not an Emergency Planning Officer in post for most of 2013/2014. In May '13 a peer review was undertaken by West Sussex County Council which gave a Health Check on the state of Chichester's Emergency Planning process. In February '14 the Head of Environment and Housing undertook an Emergency Planning review for CMT which gave details of the weaknesses identified in the peer review and staff. The review also highlighted West Sussex County Council plans for the future. Following the writing of this report a new Emergency Planning Officer was appointed on the 4th March '14, unfortunately this person has subsequently resigned. The Head of Environment and Housing is planning to report further on the way forward for the Emergency Planning process and SLT are currently considering this function.

3.5. Effective Management – Capacity and capability of Members and Officers

A comprehensive induction and training programme exists for officers and Members. The training programme incorporates dealing and understanding new and current legislation, understanding their role as a ward member and developing their personal skills. Training programmes for staff are incorporated into staff appraisals and development programmes.

Member's attendance at meetings is at present recorded on the covalent system. In the event of continual non-attendance the matter would be passed to the leader of the political group concerned for action to be taken. Performance issues relating to staff are dealt with by the Manager / Head of Service and if it is considered necessary the Executive Director will report by exception to CMT now called SLT. An officers employee specification now includes competencies, and is also reflected in their annual appraisal. CMT are undertaking a leadership training programme, and organisational development will be moving from Personnel to the Corporate Improvement Team. Statutory officers have specifications that match the legislative requirements of their role.

During 2013/2014 it was discovered that Financial Regulation were not being complied with in relation to the reconciliation of income. Internal Audit have undertaken a review of all reconciliations on outturns greater than £20k but excluded Council Tax and Non Domestic Rates. A report detailing the findings of the audit will be reported to Corporate Governance & Audit Committee. For further information see the Income Management – Reconciliation summary report date the 5th September '14.

3.6. Engaging with local people and other stakeholders to ensure robust accountability

The council's committee meetings are held in public, the press and public are only excluded when the report is presented as a Part 2 item in accordance with Part 1 of Schedule 12A to the Local Government Act 1972.

The council publishes its vision, strategy, plans and performance information within the Annual Report which is subject to scrutiny from the Overview and Scrutiny Committee. This, along with the Annual Statement of Accounts, disclosure of spend over £500 with officer remuneration and the Senior Staff pay policy is published and made available to the public.

The Council's contract with other councils in West Sussex, funded by Government Grant, for the provision of e-petition software expired in December 2013. Since then the Council are encouraging organisations to start their own Petitions one such site www.change.org was used by Wisborough Green for their recent petition to save their public toilets.

On-line consultation methods continue to be undertaken, webhost which is the software used, enables surveys to be designed, produced and analysed electronically. These surveys are accessed via the council's website. Facebook and Twitter continue to be used to promote consultation and links are used with the West Sussex e-panel to promote the surveys generally.

On-line polls have continued to be used, which allows members of the public to provide their views on a range of topics that the council are involved with.

Community Forums - Regular meetings with Parish Councils have continued at forum level over the year. These meetings are held quarterly and provide a mechanism to engage with the parishes and to communicate and review information collectively.

The council continues with its work on Youth Engagement, the Community Wardens main areas of activity are encouraging and increasing community involvement, dealing with environmental issues (e.g. graffiti, litter, abandoned cars, dog fouling etc.) within the area by working with appropriate agencies working with police, police community support officers (PCSOs) and local communities to reduce crime, anti-social behaviour and fear of crime in the area including providing intelligence and evidence to the police and acting as a professional witness.

Sport development provide sport and leisure activities and events to increase opportunities for participation in sport and physical activity and improvement to health delivered directly and in partnership with other sports and leisure providers.

4. Review of effectiveness

The council has responsibility to review the effectiveness of its governance framework. The review of the effectiveness is undertaken by the work of the Corporate Management Team and the Directors / Heads of Service who have responsibility for the development and maintenance of the governance environment. The Principal Auditor's annual report and comments made by the external auditor also adds to the effectiveness of the governance framework at the council. The process that has been applied in maintaining and reviewing the system of governance includes the following elements:-

The council adopted a constitution to ensure it is efficient, transparent, and accountable to local people. Some of these processes are required by law; others are based on decisions made by the council. It is the responsibility of the councils Monitoring Officer who reviews the constitution as and when required to ensure that it continues to operate effectively.

The council is made up of 48 Council Members four of these Members take up the roles of Leader and Deputy Leader of the council, Chairman and Deputy Chairman. The Leader and Deputy Leader plus five Cabinet Members are appointed with specific areas of responsibility.

The Council's Overview & Scrutiny Committee has the power to make reports and recommendations to the Council's Executive on issues which affect the area. The committee can require Members and Officers to attend meetings and provide information, to require information from partner authorities and partners and to review and scrutinise decisions and to call in a decision made by the Council's Executive but not yet implemented. The Council also takes part in county wide joint scrutiny reviews on issues affecting the wider area and has a representative on the West Sussex County Council Health and Social Care Select Committee to allow the authority to contribute to health related reviews.

In addition to the responsibilities outlined within the statement, the Corporate Governance and Audit Committee also has responsibilities for, control and monitoring arrangements for risk; review and determine the Internal Audit priorities based on the Governance issues and the risks assessments made; review progress / effectiveness and probity of Corporate Governance within the authority; report to full Council on significant issues or concerns raised; review and make recommendations to Cabinet and the council on the council's financial regulations and contract standing orders; consider reports from the Head of Finance & Governance on the council's financial control system, the council's insurance policies and self-insurance arrangements; monitor the operation of the Members Allowance scheme, approve annually the final accounts of the council and as required to monitor the efficiency of the council's services. The Corporate Governance & Audit Committee meet five times during the year, to consider regular reports from Internal Audit on system reviews, reports from the Head of Finance & Governance and Accountancy Services Manager in addition to Annual Audit and inspection letters from the (EY) the nominated External Auditor.

Following the Localism Act the Council agreed to set up a Standards task and finish group to look at the future workings of the standards regime and also to determine a terms of reference which were approved by Full Council.

At the meeting of the Full Council members approved the new arrangements for the Standards Committee. The make-up of the committee will consist of seven members of the Council; there are two Sub Committees (Assessment Sub-Committee and Hearing Sub-Committee) made up of three Members of the Council a co-opted Independent Person and a Parish Councillor who are invited to attend meetings of the Sub Committees in an advisory capacity.

Internal Audit are responsible for reviewing the council's internal control system by reporting and where necessary making recommendations to management. Internal Audit reviews are designed to assess the effectiveness of the internal controls on which the council relies for managing risk. Each year an annual audit plan is approved by the Corporate Governance & Audit Committee an update of the plan is reported to committee at each of the meetings. In their annual report Internal Audit is required to report on the effectiveness of the section. Internal Audit reports on the three year plan and the annual plan. The make-up of the section, the number of audits that have been undertaken during the year, and any non-programmed work undertaken; this is agreed with the Chairman of Corporate Governance & Audit Committee in certain circumstances.

5. Significant Issues

The issues that the Council identified as risks in 2013-2014 are detailed below:

Risk	Mitigating Action	Responsibility	Target date
The impact on the Council and the future Grant settlement calculation.	The Council has identified likely reductions from government and from local income streams. The report to cabinet "Transformation of Council Services" emphasised the need to continue to plan for the future and to be able to "flex the model" should the need arise.	SLT, District Treasurer & Cabinet now called Head of Finance & Governance	Implement the Deficit Reduction Plan which will identify efficiencies or increased income to address the shortfall expected in 2017/2018.
Loss of external income streams.			
Business Continuity	Zurich has undertaken a Business Impact Analysis which was been reported to CMT in June '13. The council has decided to replace Shadow Planner and to replace it with simplified version that will be kept on the councils X drive. Work is continuing to complete the non-critical plans, in the meantime should an emergency last for more than three days the information stored on Shadow Planner would be used.	Chief Executive Director / Service Manager	The Health & Safety Manager will update progress made to the September Corporate Governance & Audit Committee
Emergency Planning	A peer review was undertaken by West Sussex County Council giving an "Emergency Planning Health Check"	Chief Executive / Exec Director	Situation On-going
Westgate Centre Carbon Trust contract.	The council have been out to tender to for the replacement of the CHP's, unfortunately no tenders were received. A revised tender is being prepared for a revised solution.	Cabinet / Council and CMT	Situation On-going.

Risk	Mitigating Action	Responsibility	Target date
Failure of the Local Plan	The Council have submitted the Local Plan to the Government and are awaiting their opinion as whether it can be classified as sound.	Council / Council, SLT	Situation on-going

The process of preparing the Annual Governance Statement has in itself added value to the Corporate Governance and Internal Control framework of the Council.

Certification / Effectiveness of Governance Arrangements

The council is committed to the Governance arrangements and the stewardship of its resources. This commitment can be demonstrated by the following arrangements, where Governance is discussed and reviewed and where necessary actioned.

- Internal Audit - Has a three-year plan of Audits where Governance arrangements are reviewed.
- Corporate Governance & Audit Committee – Discuss the findings of the Audit Reports and any other issues that relate to Governance.
- Corporate Management Team – Review and update Governance arrangements, identify and review new and emerging risks.
- Risk Register – To keep risks, which could affect the council, under review.

It is therefore our opinion that Corporate Governance, along with supporting controls and procedures, remains very strong in the council.

Annual Report of Partnerships – 2013/2014

The definition of a partnership in accordance with the publication Working in Partnership is:

“ A process in which two or more organisations or groups work together to achieve a common goal, and do so in such a way that they achieve more effective outcomes than by working separately ”.

Between July and August 2013 the Partnership Officer met with Assistant Directors to update the information held on the council's strategic partnerships and to review the service plans and to explain in more detail the partnership guidance.

In September 2013 the Partnership Officer reported to Corporate Governance & Audit Committee that there were currently 10 strategic partnerships. The original register of partnerships had been reduced significantly over the years; this has been due to the ending, merging or re-classification of partnerships.

Following a review of the latest Services Plans there continues to be 10 strategic partnerships. From discussions with the Partnership Officer some of the partnerships disclosed need to be investigated to ascertain whether they are in fact a partnership in accordance with the definition.

Chichester District Council's partnership guidance sets out the following definitions of a partnership.

- Strategic Partnership
- Strategic Service Delivery Partnership
- Community Partnership
- Task and Finish/Project Groups

The following is a list of what is considered not to be a partnership.

- Shared Service
- Joint Commissioning
- Grants
- Contracts
- Networks
- Subscription Service
- Social Enterprise
- Community Development Trusts
- Trust Boards
- Limited Companies

In November 2012 Partnership Guidance was published, this document replaced the Partnership Toolkit. The document sets out what the council considers to be partnership working. Mentioned in the document were the responsibilities for the members and officers involved in partnership working and what governance should be put in place when being involved or creating a partnership. The council is required to provide an annual assurance on its partnership activities, which forms part of the Annual Governance Statement.

Internal Audit reviewed a sample of Partnerships to see whether the appropriate governance arrangements were in place. There still appears to be difficulty with some services identifying what is a partnership, this is clearly defined in the Partnership Guidance.

The guidance states that all partnerships that the council is involved in must have the following in place:

- Terms of Reference
- Action Plan with SMART (Specific, Measurable, Achievable, Realistic and Time Bound) outcomes, outcome measures and planned timescales.
- Risk Assessment
- Exit Strategy
- Lines of Accountability
- Regular Reviews
- Set financial arrangements
- Partnership register, to contact the Policy Officer when setting up a new partnership or reviewing an existing one in order for the partnership register to be kept up to date.

In some cases information taken from the Services Service Plans relating to Partnerships had been incorrectly classified as a Partnership.

Whilst assurance can be provided on the partnerships which have met the Partnership Guidance, it is recommended that staff need to refer to the guidance when forming or reviewing a Partnership.

Annual Report on the effectiveness of the Internal Audit Section 2013/2014

The council is required to conduct an annual review of the effectiveness of its system of Internal Audit. It is responsible for ensuring that there is a sound system of internal control together with the identification of risk.

Internal Audit published a three-year risk based rolling programme of audits, which was produced following consultation with the Directors and was approved by the Corporate Governance & Audit Committee. The annual Audit Plan for 2013/2014 represents year one of the three year plan. Each of the audits undertaken was on a risk-based approach, which is linked to the Council's Corporate Risk Register. The Accountancy Services Manager is the risk manager and reviews risks on a periodic basis, any changes and updates to the Corporate Risk Register is reported to the Corporate Governance & Audit Committee.

The Audit Section for 2013/2014 is made up as follows:

- Principal Auditor
- Auditor
- Assistant Auditor (Part - time effective from 1.10.13)
- Assistant Auditor (Part - time effective from 1.1.14)

One member of the team works on a part-time basis, working four days a week and the audit plan has been adjusted to take this into account. He gave notice to terminate his employment effective from the 31st March 2014. Another member of the audit team reduced her hours to three days a week and was also seconded to the Election Service during the annual canvass. A further member of staff also reduced her hours to three days a week effective from the 1.1.14. It was agreed to replace the Auditor and to appoint another part-time Assistant Auditor to fill the number of days lost. Interviews have taken place and a new Assistant Auditor will join the section on the 16th April 2014.

The Internal Audit Section completed the following Audits which were taken from the Audit Plan.

- Fraud Prevention
- Bank Reconciliation
- Customer Services
- CPE / Car Parks
- Debt Recover Review
- Energy Usage
- Reconciliation Review
- Tangmere Section 106 Review
- Performance Indicators
- Contracts
- Housing Benefits
- Estates
- Freedom of Information / Data Protection

A number of recommendations were made, all of which had been agreed by management and Corporate Governance & Audit Committee. The audits have been followed up throughout the year to ascertain whether the recommendations have been implemented within the given timescales. Where recommendations are not implemented they would be brought to the attention of the Corporate Governance & Audit Committee. At the end of each audit the Principal Auditor will undertake post audit interviews. The feed-back has been very positive with comments made such as, very helpful, polite, made relevant recommendations and always kept informed at all stages.

At the request of the Chief Executive a non-programmed follow up review was undertaken of the reconciliation process on income budgets over 20k.

From the original 2013/2014 annual audit plan four audits were not undertaken. The time allocated was absorbed by non-programmed work; this is reported to the Corporate Governance & Audit Committee periodically. Audits were reviewed by the Principal Auditor before publication. In some cases audits were started before the 31st March, but will not be finished until after the 1st April.

Compliance testing is undertaken relating to:

- Internet monitoring
- Mileage
- Creditors
- Debtors

These are undertaken on a quarterly basis and where appropriate reports were produced and given to management to take appropriate action.

The Audit Section undertook testing on the Key Financial Systems (previously International Auditing Standard). Internal Audit tested the main financial systems to ascertain that the appropriate levels of controls are present. External Audit requires a sample of 25 tests per area. This allows External Audit to place reliance on the work of Internal Audit and avoid duplication.

The areas tested were:

- Bank Reconciliation
- Creditors
- Council Tax
- Debtors
- General Ledger
- Housing Benefit
- NNDR
- Payroll

The Section gave help and advice to officers relating to control and spoke to new entrants at induction meetings relating to the Information Security Policy and Internet and E-mail usage.

The Audit Charter that was reported to Committee in the Annual Report on Internal Audit for 2012/2013 has been reviewed with minimal changes being made reflecting the changes to the management structure.

The Internal Control arrangements within the Council are robust and regularly reviewed by Internal and External Audit.

Chichester District Council

CORPORATE GOVERNANCE & AUDIT COMMITTEE 25 September 2014

Annual Partnerships Report 2014

1. Contacts

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2. Recommendations

2.1. That the annual report on Partnerships be noted.

2.2. That the committee agrees that it continues to receive an annual report on partnerships as stated in paragraph 5.4.

3. Background

3.1. At a special meeting of the Corporate Governance and Audit Committee on the 23 July 2012 the following resolutions were made:

- (a) The committee should receive an Annual Partnerships report on the effectiveness of the council's strategic partnerships focussing on governance arrangements and risk monitoring.
- (b) The council's partnerships, both strategic and operational, should be reviewed during the council's annual service planning process to ensure that they are still achieving their outcomes, that risk registers are up to date and regularly reviewed and the council's strategic objectives continue to be met.
- (c) That the role of members who serve on partnerships is made clear in the partnerships guidance document particularly in relation to the requirements for annual reporting.

4. Progress

4.1. The 2013 report identified the need for the Healthier Chichester Partnership (HCP) and the Manhood Peninsula Partnership to finalise their action plans, and any non-compliance issues with partnership procedures would be reported back to the Corporate Governance and Audit Committee.

- 4.2. The HCP has since been reviewed and the partners agreed that the HCP should be amalgamated into the Local Strategic Partnership - Chichester in Partnership. The proposal was discussed and endorsed by the Overview and Scrutiny committee. Cabinet approved the change on 1st April 2014. Chichester in Partnership has now incorporated the health remit into its priorities and the new terms of reference for Chichester in Partnership reflect this.
- 4.3. The Manhood Peninsula Partnership have been reviewing their priorities and are preparing a new action plan to be in place by the end of September 2014.

5. Analysis of Partnerships and recommendations

- 5.1. There are currently 9 strategic level partnerships that the council is involved with, which are set out in the annual partnerships report (attached as Appendix 1). They all have governance arrangements in place.
- 5.2. Better Together is coming to an end and in future will no longer be included in the strategic list.
- 5.3. With its dissolution Healthier Chichester Partnership has been removed from the strategic list.
- 5.4. The annual report is a robust method for ensuring our strategic partnerships have appropriate governance measures in place and should continue for the foreseeable future.

6. Community impact and corporate risks

- 6.1. By not completing a review of the main strategic partnerships of the council we risk council resources being directed into partnerships that do not meet the council’s priorities, do not have a clear goal, are not an efficient use of our resources, and could, at worst, bring the council into disrepute. By ensuring that appropriate governance is in place in these partnerships, and that any risks are appropriately managed we can ensure the quality and benefit of their work to the local community.

7. Other Implications

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

8. Appendices

- 8.1. Appendix 1 – Chichester District Council Partnerships report 2014

9. Background Papers

- 9.1. Chichester District Council Partnerships Guidance 2012 – Corporate Governance & Audit Committee agenda 29 November 2012

1. CHICHESTER IN PARTNERSHIP (CIP)

Partnership Description

CIP is an umbrella body, which brings together a wide range of organisations from the public, private, voluntary and community sectors within the district. Its principle remit is:

- Development & delivery of the Sustainable Community Strategy for Chichester District.
- Being a network for local organisations.
- Dissemination of information to partners to enable better-coordinated working.
- The coordination, support and championing of local partnerships.
- Developing projects across the partnerships to provide multi agency solutions to local issues.
- Engaging elected members in partnership working.
- Coordination of local community engagement.

The current priorities for the partnerships are as follows:

- Reducing Worklessness,
- Targeted support for communities in need
- Ageing with Confidence alongside previous priorities of:
- Supporting a vibrant third sector and
- Family Intervention.
- Helping those with Low level mental health needs

Planned Outcomes 2014/2015

- Recruit 5 local businesses/ organisations to offer a minimum of 2 work placements
- At least 15 work experience placements created within the council in the first year
- At least 25 18-24 year old unemployed people supported into a work experience placement
- At least 25% of those young people secure a permanent job at the end of their apprenticeship
- 250 16-18 year olds become apprentices in 2014-2015
- Number of local supply chains to be increased
- The district sustains its level of self-employment at 16% or more until and as the economy recovers
- Assist 600 people over an 18 month period on their customer journey with a real focus on overcoming barriers such as transport which is major issue. (33 a month)
- Assist 600 people in using Universal jobmatch, and will engage at least 50% of them in a programme of training and one to one sessions to ensure they can access both Universal Job Match and the new online benefits systems.
- A minimum of 60 (10%) will go into employment, self-employment or apprenticeship
- Provide 50 work experience placements with development opportunities.
- Support the DWP digital agenda so that 510 (85%) of people from the area are given the skills to access services digitally
- Grow 15 new businesses through entrepreneurship and mentoring.
- Offer financial and debt advice to coincide with the introduction of Universal Credit and changes to the benefits system to ensure people are helped to manage their money and budget effectively.
- Another 100 families receive a light touch support over 2 years
- Number of Work Placements generated for people resident in Manhood Peninsula
- Young people have access to sound, independent financial advice
- Improved Traffic flow on the key routes of the Manhood Peninsula
- Improved maintenance of road infrastructure especially footpaths
- Increase options for alternative methods of transport – especially evenings and weekends

- Average wait time for GP appointments is reduced and local residents perception of access improved
- Increase in hours of availability of local pharmacy facilities
- Number of residents able to access NHS Dentist is increased
- Number of local residents who have engaged with Healthwatch
- Young people – and parents - are aware of the range of activities available, and there is an increase in participation levels

Chichester District Council resources

£1,000 per annum
 1 full time officer
 Desk space and management time of Work experience officer
 £30,000 invested into the ChooseWork project
 £5,000 invested into the SelseyWorks project

Other resources

£19,845 funding from Department of Work and pensions for Work experience coordinator
 £27,000 from DWP for extension Choose Work for a year.
 28 hours of senior officer time from partner organisations
 £50,000 from DWP for the Selsey Works project
 £10,000 from Big Lottery for the Selsey works project
 £25,000 from WSCC for the SelseyWorks project
 £15,000 from Selsey Town Council for the SelseyWorks project

Reporting Lines

CDC overview and scrutiny committee
 Wider LSP (AGM)

CDC priority link

- Promote economic development
- Supporting Vulnerable people and Communities
- Use resources effectively and efficiently

Headline achievements 2013/14

- Selsey Works launched in February 2014. As of the 30th June 2014 SelseyWorks has engaged with 227 clients. (56 clients a month)
- 117 clients wanted advice on getting back to work
- 10 wanted housing advice
- 7 wanted education advice
- 32 came in for business advice
- 19 on benefits advice
- 3 new businesses have been created
- 9 people helped into employment
- The Fundraiser hub - As of February 2014 has in total over 3 years raised £1,012,764 for local charities and organisations of this £210,158 was raised by volunteers. The senior fundraiser has now left her post and the project is currently under review.
- In the past year 22 families have engaged with the “Think Family” project.
- ChooseWork our work experience has project has helped 120 people, all have benefitted from some form of interaction with the work experience coordinator, with 49 people officially signed on to the programme. 47% of people who have been on the programme have found employment. Only 14 are still claiming Job Seekers Allowance (JSA). 30 companies have offered work placements, including CDC. A return on investment calculation indicates that this project saves the public purse an estimated £118,388 a year - ten times the original investment.

Risk Assessment

- Risk of key partners not becoming fully engaged or disengaging with projects, thus leading to failure.
- Internal reorganisations and changing partner priorities can change commitment to partner projects and relations.

- Lack of funding to complete projects, so far the partnership has been successful in applying for grants but has no more money to invest in further projects.

2. CHICHESTER COMMUNITY SAFETY PARTNERSHIP

Partnership Description

It is a statutory requirement under the Crime and Disorder Act 1998 to have a Community Safety Partnership that brings together partners to share plans and have a coherent approach to community safety.

Planned Outcomes 2014/2015

- Domestic abuse awareness raised amongst young people
- Reducing the number of repeat victims of ASB
- To work with families causing harm to communities per year (Think Family Project)
- To improve the quality of life in specific identified neighbourhoods (Think Family Neighbourhoods project)
- Reduction in overall ASB
- Ensure that number of burglaries does not increase
- Ensure that number of thefts from or of vehicles does not increase and seek to reduce.
- Ensure that number of cycles stolen does not increase and seek to reduce.

Chichester District Council resources

90 hours of officer time

Other resources

£42,295 – police crime commissioner
Officer time from other organisations

Reporting Lines

Chichester in Partnership & CDC Overview and Scrutiny Committee

CDC priority link

- Supporting Vulnerable people and Communities
- Use resources effectively and efficiently

Headline achievements 2013/14

Reported Crime in the District has continued to reduce, particularly burglaries and vehicle crime. Chichester District Joint Action Group (JAG) was approached by Active Communities Against Trafficking (ACT) to raise the profile of human trafficking amongst organisations in Chichester. Their presentation raised questions around how the JAG could support the work they were doing. Human Trafficking is a hidden activity and there is little data relating to Chichester but never the less it is occurring in Chichester district. In order to ensure it was a focus and to raise its profile it was felt that training for front line staff was key and this would be the initial drive for the campaign. To date officers from frontline teams within Environmental Health, Housing and Communities have received training on how to spot signs of trafficking and how to report any suspicions. We have also supported a sticker campaign for taxis which state “no smoking, no human trafficking in this vehicle”. This was well received by taxi drivers. Bunn Leisure has also been visited and managers given a presentation around human trafficking, particularly focussed on grooming.

Chichester is a university city and community tensions caused by students perpetrating ASB were on the rise from September 2013. Our monitoring identified that there had been an unprecedented number of complaints from residents. There are already agreed processes in place between Sussex Police, Chichester District Council and the University to deal with such complaints and these have proved very effective in the past. There is good communication between the University and the landlords but only where they are registered with, and therefore known to, the University. In cases where Landlords of properties let to students are not registered with the University it is more difficult to identify who the students are and take the appropriate action. We are working together to explore a number of ways to expedite this process and also to encourage landlords to register with the University to ensure a good standard of accommodation. This will assist in identifying students from specific addresses and also provides an opportunity to engage more landlords to take action to encourage appropriate behaviour from their tenants.

<p>Unauthorised encampments by Gypsy Travellers have also been a source of community tension and a focus for the JAG with over 50 incursions in 2013 in the Chichester District. There has been a 'joined up' approach to the issue developed between local agencies and apart from one persistent family, responsible for 19 of the incursions; the majority were dealt with positively and with minimal impact. CDC has a protocol in place with Parish Councils and this has supported the work undertaken. ECINS (on line case management system) has been used to good effect to track the groups and capture evidence of any anti-social behaviour. There is good multi-agency buy in to support this work including trading standards in developing responses on a county wide basis.</p>
<p>Risk Assessment</p>
<ul style="list-style-type: none"> • Loss of funding through Police Crime Commissioner decision • Lack of engagement by partners into delivery of projects • Public pressure on partnership to take action over issues they have no funding for.

<p>3. WEST SUSSEX WASTE PARTNERSHIP</p>
<p>Partnership Description</p>
<p>The partnership is delivered through two inter-related groups; the Member led Inter Authority Waste Group (IAWG) and the Strategic Waste Officers Group (SWOG). The aims are reduced municipal waste landfilled, improved services and infrastructure facilities, greater waste minimisation, recycling and waste awareness.</p>
<p>Planned Outcomes 2014/2015</p>
<ul style="list-style-type: none"> • To update the Memorandum of Understanding (MoU) between WSCC, the Waste Disposal Authority (WDA) and the districts and boroughs, the Waste Collection Authorities (WCAs). The purpose of the MoU is to clarify the aims, objectives and commitments of the WCAs and WDA to ensure that the respective activities provide Best Value in discharging their relevant responsibilities under the Environmental Protection Act 1990 (EPA) and the Refuse Disposal (Amenity) Act 1978 and other relevant Wastes Management Legislation. • To revise the Recycling Support System (formerly known as recycling credits) between the WCAs and WDA • In co-operation with WSCC and the other districts and boroughs, produce individual reports to demonstrate that existing collection methods meet the requirements of the Amended Waste Regulations 2012 (TEEP) in respect of separate recyclate collections. • Continue with the standardisation of the branding and content of waste and recycling communications across the county to improve awareness and understanding, and reduce confusion. • Continue to improve the quality of materials collected and processed through the Ford MRF to reduce wastage and improve materials sales markets and income. • Increase awareness of sustainable waste management and recycling in schools through the Wastebuster programme. • Aim to adapt the Ford MRF and introduce appropriate communication initiatives to enable mixed plastics to be an accepted recycled material by the beginning of 2015/16. • Assist WSCC with the procurement of a new clinical waste disposal contract.
<p>Chichester District Council resources</p>
<p>Officer 400 hrs per annum. Members 25 hours per annum</p>
<p>Other resources</p>
<p>Officer time from other councils</p>
<p>Reporting Lines</p>
<p>Portfolio member</p>
<p>CDC priority link</p>
<ul style="list-style-type: none"> • Use resources effectively and efficiently • Protect and maintain our natural and built environments.
<p>Headline achievements 2013/14</p>

Significant improvement in the quality of recyclate collected, and consequent reduction in loads rejected at the waste transfer station.
Greater take up of the schools Wastebuster programme.

Past outcomes include: provision of mixed recycling collections to domestic premises; construction and operation of Ford Materials Recycling Facility, improvements to household waste recycling sites; provision of waste transfer sites; awarding of joint abandoned vehicle collection and disposal contracts; clinical waste disposal contracts; recycling and waste handling and processing contract and treatment of residual waste contract. This latter contract is providing for the construction of mechanical and biological treatment and anaerobic digestion facilities, which is due to become operational in 2014.

All of these have contributed to the improvement and delivery of more effective and cost efficient services whilst achieving substantial improvements in recycling, waste minimisation and landfill reduction.

Risk Assessment

Minimal risk to Chichester District Council as West Sussex County Council is lead partner and main investor

4. THE MANHOOD PENINSULA PARTNERSHIP (MPP)

Partnership Description

The Manhood Peninsula Partnership (MPP) is a Standing Conference for on-going issues associated with the Manhood Peninsula. The MPP was formed over ten years ago following concerns raised among local residents about the need for greater co-ordination between the bodies and organisations responsible for management of the peninsula. The partnership is comprised of local communities, local and national government agencies, and other key organisations that share an interest in the issues and sustainable management of the Manhood Peninsula. The chairman is independent from organisations represented in the partnership.

The partnership aims to continue improving and promoting inter-sector integration and understanding between those involved in the Manhood Peninsula, while bringing together different skills, knowledge and resources to maximise delivery of projects in particular areas of interest such as:

- Economic regeneration.
- Environmental management
- Social, access and enjoyment

The MPP has brought attention to and funding for projects on the Peninsula. The MPP has generated over £500,000 in grants, and developed one of the few Integrated Coastal Zone Management Plans in the UK specifically for the Peninsula. Without the Partnership, opportunities to inform and engage local communities and to promote economic regeneration on the Peninsula will be lost.

The Partnership is a low cost way for CDC to act as an exemplar for localism and community engagement. The contribution is £5,000 a year and the “hosting” of the MPP Project Officer post.

A partnership with the MPP reinforces the District Council commitment to the mutually important issues of climate change, spatial planning, coastal adaptation and protection of the Peninsula’s special environment to enhance community viability and economy. These issues are enshrined within the MPP’s constitution, which aims to address the present and future environmental, social and economic challenges facing the Peninsula, while working collaboratively to represent the area’s best interests.

Planned Outcomes 2014/2015

- A new MPP Aims & Objectives document, to be finalised in Sept 2014.

<ul style="list-style-type: none"> • A new MPP Workplan 2014 – 2019, to be finalised in Sept 2014, elements of which are already being delivered. • Production of MPP Key Policy Statements in the areas defined as being of repeated concern for the peninsula. The documents will be considered by CDC Cabinet. Statements are being produced as follows: <ul style="list-style-type: none"> ○ GLaM (Green Links across the Manhood) Key Statement ○ Drainage Key Statement ○ Economy Key Statement ○ Environment Key Statement • Rain Gardens Project. Rain gardens are a soft engineered SuDS option for land drainage in areas prone to flooding following heavy rain. The aim is to build two rain gardens, one on either side of the Manhood Peninsula, and run 4 workshops to engage and educate the community about rain gardens. A consultant has already given free advice, and parishes have expressed interest. Operation Watershed is a likely funding source. • Autumn event - 'What Makes the Peninsula Special?' The morning event is planned for 6th Nov 2014 to present the 'local product' to food retailers and tourist operators. It follows on from the 'Medmerry – new opportunities for tourism' event held in June 2013 for accommodation providers on the peninsula. The Destination Management Plan in 2011 showed how tourism providers on the Manhood Peninsula could work together to boost the area's identity, through food, art, culture and environment. The aim of the autumn event is to explore how to turn this into reality. Funding will be from MPP reserves. • GLaM (Green Links across the Manhood) Project. GLaM has been ongoing since 2012. The aim is to link the green access routes provided by the Environment Agency for the Medmerry managed realignment scheme with communities on either side of the Manhood Peninsula. A great deal has been achieved on the eastern side of the peninsula. Work is ongoing to create links between Medmerry and the western side of the peninsula.
Chichester District Council resources
See below
Other resources
The part-time MPP Project Officer post is funded by the Environment Agency, Chichester District Council and West Sussex County Council. The Parish and Town Councils on the peninsula also contribute. CDC also provides the Secretariat and desk space for the Project Officer. The partnership itself does not receive funding, and cost for attendance at quarterly and other meetings are met by the respective organisations involved.
Reporting Lines
Projects are considered and approved through CDC cabinet
CDC priority link
<ul style="list-style-type: none"> • Use resources effectively and efficiently • Protect and maintain our natural and built environments.
Headline achievements 2013/14
<ul style="list-style-type: none"> • A new independent chairman was elected following the retirement of Cllr Peter Jones. • GLaM (Green Links across the Manhood) Project. The RSPB has obtained the necessary permission from landowners to construct a route on the east of the peninsula linking Pagham Harbor Visitor Centre to Medmerry. The West Sussex County Local Committee South has allocated funding for the path in 2016. • MPP Small Grants Fund. The MPP Small Grants Fund was short term, but in conjunction with Chichester Harbour Conservancy, funded the Manhood Wildlife & Heritage Group to do a major pilot project assessing ditches and waterways in Birdham. The project is now being rolled out across the Manhood Peninsula on a parish by parish basis using funds from other sources. • Underwater survey of marine life and habitats. The project benefits the marine environment by raising awareness of inter tidal and sub tidal zones, and encouraging people to be responsible for their local environment both above and below the water. Increased

<p>information about the sea adds another aspect to the GLaM project and Medmerry, and provides another reason for people to visit the area thus supporting the local economy.</p> <ul style="list-style-type: none"> • ‘Medmerry – new opportunities for tourism’. This free event took place on June 4th 2013 at Bunn Leisure, who kindly provided the venue for free. The seminar was aimed at accommodation providers on the peninsula. It discussed the Medmerry managed realignment scheme and the opportunities it would provide for them and their visitors. 48 individuals representing 34 different organisations attended. Ice cream donated by Caroline’s Dairy was distributed, and there were exhibits from local cycling and water sports businesses involved in the recreation sector. • The MPP has been represented at the following conferences, seminars and workshops: <ul style="list-style-type: none"> ○ Coastal Futures; ○ Eco-Tech; ○ Solent Forum; ○ Coastal Partnerships Network and ○ Marine Management Organisation.
<p>Risk Assessment</p> <ul style="list-style-type: none"> • Future plans are dependent on funding opportunities and successful funding applications. • Community inspired partnership – withdrawal from the partnership could have a detrimental impact on the community

<p>5. SUSSEX AIR QUALITY PARTNERSHIP</p>
<p>Partnership Description</p> <p>Improving air quality is a statutory duty for local authorities. The aim of the partnership is to improve the expertise and knowledge base for officers and to communicate air quality issues or initiatives in Sussex to the public. The partnership comprises all local authorities in Sussex including both county councils; the Environment Agency; University of Brighton and King’s College London (Environmental Research Group). The group reports to the Chief Environmental Health Officers’ (CEHOs’) Group and one CEHO sits on the group.</p>
<p>Planned Outcomes 2014/2015</p> <p><u>Air quality initiatives and projects.</u></p> <ol style="list-style-type: none"> 1. Joint airAlert/coldAlert smartphone app development (Android and IOS). 2. Public Health West Sussex, Joint Strategic Needs Assessment submission to call for evidence. 3. Bid for DEFRA air quality grant for remote vehicle emissions sensing project across Sussex. 4. Delivery of Department for Transport, Office for Low Emission Vehicles grant funded ‘rapid’ electric vehicle charger network across Surrey, Sussex and Kent. 5. Develop the Energise Network for SE England to promote zero and low emission vehicle uptake across the region. 6. Assist in delivery of joint bids for 2014/15 Clean Vehicle Technology Fund (DfT).
<p>Chichester District Council resources</p> <p>CDC pays a subscription of £4500 a year. There are eight meetings per year of approx. half a day duration each with some time spent providing support to the project development officer.</p>
<p>Other resources</p> <p>Every local authority in Sussex, Brighton and Hove unitary and the Environment Agency all pay £4500 subscription each per annum.</p>
<p>Reporting Lines</p> <p>Portfolio Holder and Head of Service.</p>
<p>CDC priority link</p> <ul style="list-style-type: none"> • Use resources effectively and efficiently. • Protect and maintain our natural and built environments.
<p>Headline achievements 2013/14</p> <ol style="list-style-type: none"> 1. King’s College London, Environmental Research Group (ERG) contract renewed for

<p>management of air quality data management, administration of the airAlert and coldAlert services and provision of daily air quality predictions for Air-alert.</p> <ol style="list-style-type: none"> 2. £2.46m DfT (Office for Low Emission Vehicles) grant awarded for the delivery of 47 rapid electric vehicle charge points. Delivery in progress (see above). 3. Dr Heather Walton evaluation of airAlert paper completed using Department for Health grant. 4. Health conference held at Amex Stadium Brighton including airAlert presentation. 5. Contribution to clean bus fund bid and contribution of data and grant monies to Horsham District Council ref Storrington Air Quality Management Area Low Emission Zone, Brighton and Hove City Council Air Quality Management Area and Hassocks AQMA. 6. Delivered airAlert and coldAlert services across Sussex for respiratory vulnerable individuals, 650 and 350 recipients respectively. 7. Presented at 2014 Public Health England Conference on airAlert 8. Joint bid for 2014/15 Clean Vehicle Technology Fund (DfT) for: <ul style="list-style-type: none"> Crawley Borough Council with Metro-bus (£500k) Brighton, Adur, Lewes, East Sussex and West Sussex Councils bid with Brighton Buses (£500k)
Risk Assessment
No major risks to CDC, makes a financial saving on a statutory duty we have to deliver.

6. COASTAL WEST SUSSEX
Partnership Description
Coastal West Sussex (CWS) is a partnership of organisations that collaborate to champion the sustainable development of coastal communities. Putting people at the heart of regeneration and working across traditional boundaries the partnership is forming the foundations for investment. In particular it is a key partner in designing and contributing to Coast to Capital Local Enterprise Partnership's (LEP) Strategic Economic Plan, and for assisting the delivery of relevant projects in the CWS area
Planned Outcomes 2014/2015
<ul style="list-style-type: none"> • Understand and strengthen business supply chains and networks • Match Skills to Business Needs • Promote the CWS area, and work with the LEP to: <ol style="list-style-type: none"> 1. Secure investment to develop commercial property and support the regeneration of town centres 2. Improve transport and communications infrastructure • Improve Coastal West Sussex's attractiveness to investors • Development of the Visitor Economy
Chichester District Council resources
£5000 a year. 8 days of senior officer time
Other resources
At least £5000 a year from each of the other partners Officer time from other partner organisations Organisational support from West Sussex County Council Part-time director (funded by partner contributions) and apprentice administrator
Reporting Lines
Coast to Capital LEP Partner authorities
CDC priority link
<ul style="list-style-type: none"> • Promote economic development • Use resources effectively and efficiently
Headline achievements 2013/14
Establishment of a Strategic Planning Board and delivery of the 'Local Strategic Statement' to assist in fulfilling local authorities Duty to Cooperate. (This received the 2014 RTPI award for innovation in

planning). Working with Coast to Capital to secure £40m into the CWS area, from the Local Growth Fund under the SEP Creation of Enterprise Bognor Regis and securing its local development order
Risk Assessment
Minimum of risk to Chichester District Council as we are not lead partner Risk of missing out on opportunities that benefit the district if we are not involved

7. WEST SUSSEX RURAL PARTNERSHIP
Partnership Description
The Rural Partnership in its present format has been operating for just under 4 years. It meets 4 times a year and has reporting mechanisms to West Sussex County Council, to Coast to Capital, and to regional and national rural forums and boards reporting to both DEFRA and the Rural Minister. Its Economy Panel meets a further 4 times per year (minimum). It has appointed a paid part-time director who commenced on 1 st April Its role has developed towards a stronger economy focus, putting people at the heart of regeneration and working across traditional boundaries to form the foundations for investment. In particular it is a key partner in designing and contributing to our Local Enterprise Partnership's Strategic Economic Plan, and for assisting the delivery of relevant projects in the RWSP area
Planned Outcomes 2014/2015
<ul style="list-style-type: none"> • Improved alignment with Coast to Capital and with partner's individual economic strategies. • Input into C2C's Strategic Economic Plan 2015-16 and planning for 2016-17 • Preparation and implementation of new economic action plan • Improve transport and communications infrastructure • Improve the area's attractiveness to investors • Development of the Visitor Economy • Economic assets scope for Rural West Sussex • Research into the needs of Home Based Businesses (HBB) • Report on access to finance for SMEs and Home Based Businesses • Access to public funding • Scheme to promote work experience and employment opportunities for young people amongst rural employers • Provision of support and facilitation of networks for businesses in market towns and hinterland
Chichester District Council resources
£5000 a year. Officer time equating to 8 day per annum
Other resources
At least £5000 per annum contribution from other districts, SDNPA and WSCC. Officer time from other authorities Part-time director funded by partnership contributions
Reporting Lines
Coast to Capital LEP CDC Cabinet
CDC priority link
<ul style="list-style-type: none"> • Promote economic development • Use resources effectively and efficiently • Protect and maintain our natural and built environments.
Headline achievements 2013/14
<ul style="list-style-type: none"> • Realignment of partnership priorities to that of the Coast to Capital LEP • Restructure of the partnership • Appointment of a paid part time director
Risk Assessment

- Possible duplication of work of Chichester in Partnership
- Risk of missing out on opportunities that benefit the district if we are not involved.

8. BETTER TOGETHER PROGRAMME

Partnership Description

With a proven track record of constructive joint working and delivering real improvements in services for residents, the councils of West Sussex wanted to go further and faster in all aspects of joint working and thus began the Better Together Programme

Planned Outcomes 2014/2015

Completion of Wide Area Network Project

Chichester District Council resources

Annual contribution of £10,000.

Reporting Lines

Partner steering group

CDC priority link

- Use resources effectively and efficiently

Headline achievements 2013/14

Upgrade of partnership CRM. Procurement in partnership of Wide Area Network to reduce partner costs. The joint working ethos was firmly embedded during the project work of Better Together. As a result, the partnership agreed to cease regular meetings and to move forward by identifying key contacts for partnership opportunities on a need basis.

Risk Assessment

- No set action plan available
- Unclear reporting lines

9. SAFER WEST SUSSEX PARTNERSHIP

Partnership Description

The Safer West Sussex Partnership (SWSP) is a countywide statutory group formed as a result of the Crime and Disorder Act 1998 which also led to the creation of Community Safety Partnerships (CSPs) in each district and borough in West Sussex. The SWSP conducts a strategic assessment community safety issues for the county and provides a strategic response between key partners. SWSP brings together these District CSPs along with other key agencies to provide a coordinated approach to reducing crime and anti-social behaviour in West Sussex.

Planned Outcomes 2014/2015

Priorities which will be delivered through the area partnerships are:

- Business Crime
- Preventing offending and reducing re-offending
- Serious Organised crime
- Serious acquisitive crime
- Rural Crime
- Tackling Domestic & Sexual Violence
- Repeat Victims
- Vulnerable individuals and communities
- Victims and Witnesses
- Cyber Crime
- Mental Health

CDC Officer Hours

18 hours of officer time

Other resources

Partnership resourced by County Council

Funding is drawn down from the Police & Crime Commissioner

Reporting Lines

Police and Crime Commissioner
CDC priority link
<ul style="list-style-type: none"> • Use resources effectively and efficiently • Supporting Vulnerable people and Communities
Headline achievements 2013/14
Following on from the introduction of the Police and Crime Commissioner the partnership has been busy in the past year reconfiguring and setting new priorities in line with her plans. It now consists of a Performance group for Officers; a CSP Chairs group for members and an Executive Officer Group.
Risk Assessment
Minimum risk to Chichester District Council as it is a statutory partnership that we have to attend.

Agenda Item 10

Chichester District Council

CORPORATE GOVERNANCE & AUDIT COMMITTEE 25 September 2014

Formal Complaints, Freedom of Information Requests, Subject Access Requests – Analysis 2013-14

1. Contacts

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2. Recommendation

The committee is requested to consider and note the information provided in this report and to make any appropriate recommendations as to future monitoring arrangements to identify business improvement where appropriate.

3. Background

3.1 The Corporate Governance and Audit Committee receives an annual analysis of all formal complaints and compliments, received by the authority, together with a summary of the Local Government Ombudsman's Annual Report. The purpose of this report is to demonstrate any trends and to inform Members of action taken to improve service delivery.

3.2 In addition to formal complaints, the authority receives a large number of requests for information under the Freedom of Information Act and the Data Protection Act and this report also provides an analysis of these requests, together with action taken to increase our transparency and publish public data where possible.

4. Formal Complaints

4.1 The formal complaints procedure has three stages:-

Stage 1 – Initial complaint investigated by the Manager responsible for the service team.

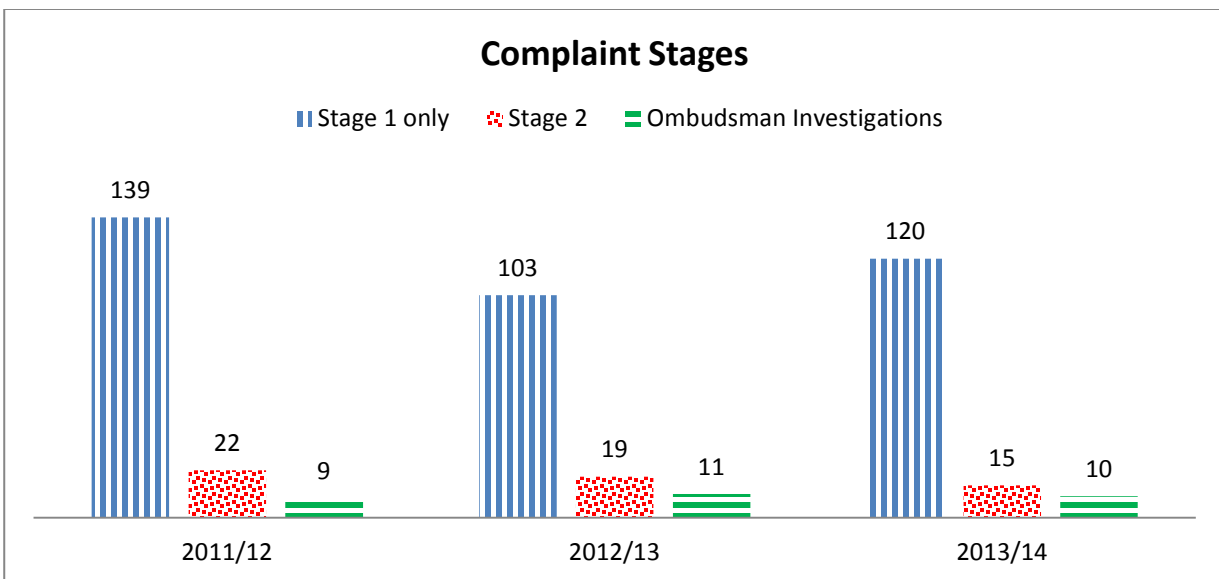
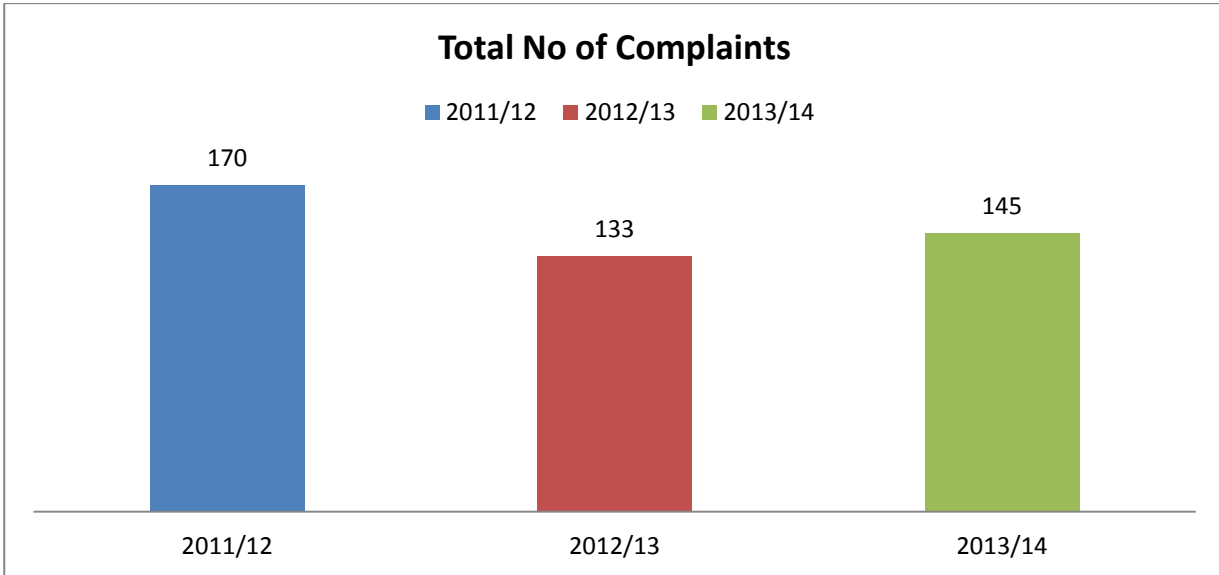
Stage 2 – If the customer is dissatisfied with the response to stage 1, the investigation is reviewed by the Head of Service for that team.

Stage 3 – If the customer is dissatisfied with response to stage 2, they are offered the opportunity to seek an independent investigation by the Local Government

Ombudsman. An Executive Officer will assist the Ombudsman during any investigation.

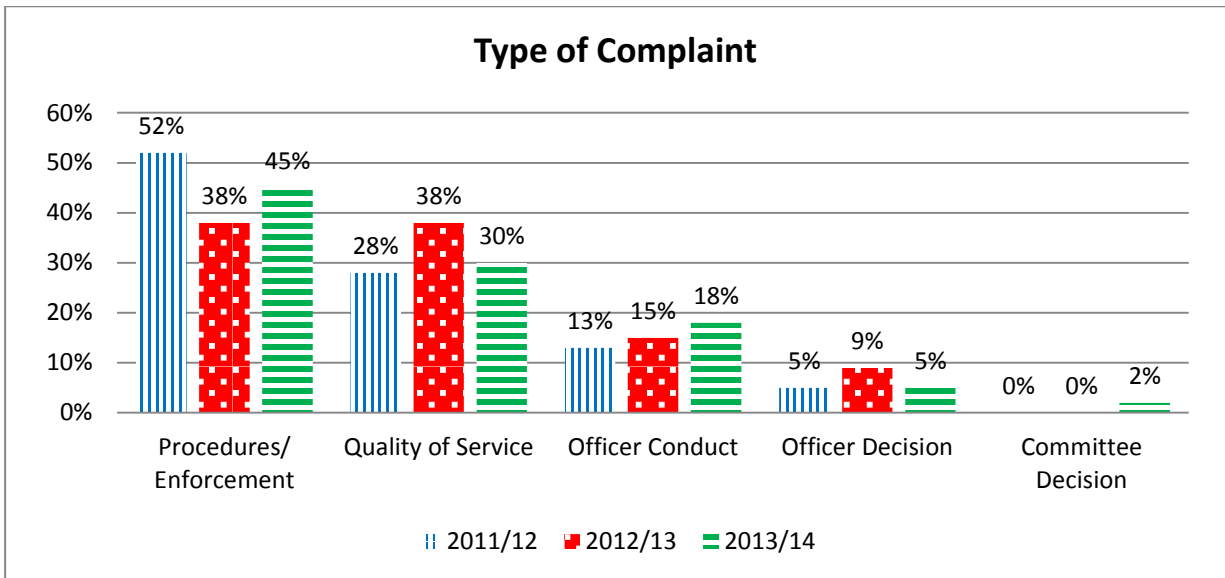
4.2 From April 2013 to March 2014 the Council received 145 complaints. 87% of those were responded to within the 10 day target.

4.3 In the preceding three years, the following complaints have been received:

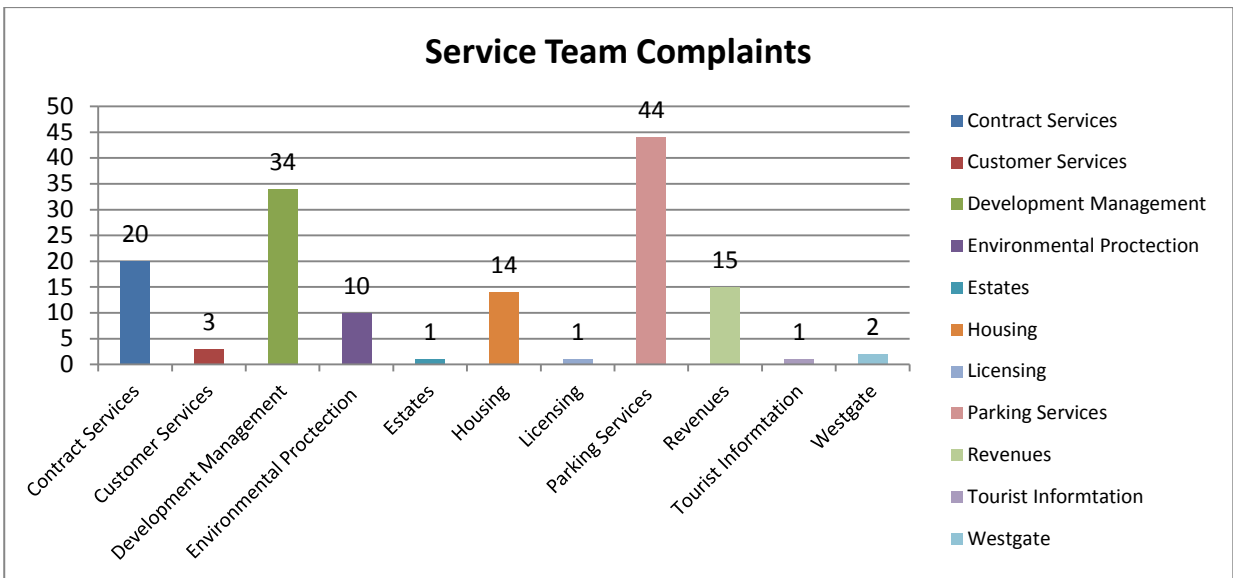


The Ombudsman received 16 complaints. Six of these were referred back to the Council to resolve as the authority had not had the opportunity to resolve the complaint at a local level. Of the remaining 10 complaints, the Ombudsman closed 8 after initial investigation and 2 were further investigated. Of these two, one was upheld as a result of which the Council has amended procedures with the Bailiff company we employ.

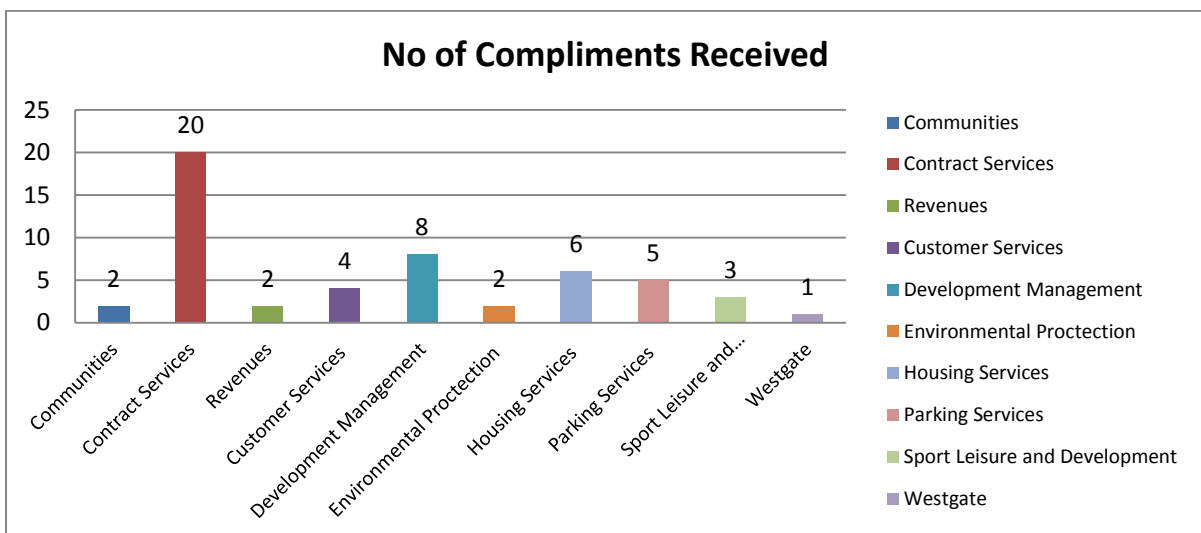
4.4 In the preceding three years, the percentage of complaints have related to the following categories:



4.5 The number of complaints received across the services for 2013/14 were as follows;



4.6 Compliments are also recorded. The number of compliments received by letter or email across the services were as follows;



4.7 Examples of some of the learning points and improvements made as a result of complaints during 2013/14 include:

- Procedures adopted by the bailiff company have been reviewed and amended in conjunction with the company.
- Last year the waste collection calendar was printed in the Initiatives Magazine. Following a number of complaints this process is being reviewed for the next issue of the calendar.
- Improved signage on our parking machines has been installed to enable customers to easily identify the methods of payment available.
- A dedicated queue has been created in the Customer Service Centre to ensure customers are dealt with in a speedy manner when topping up their parking smart card or buying on street parking vouchers
- The Development Management team have reviewed the receipting process for planning applications.
- The complaints procedure has been amended to emphasise the importance of responding to formal complaints within 10 days.

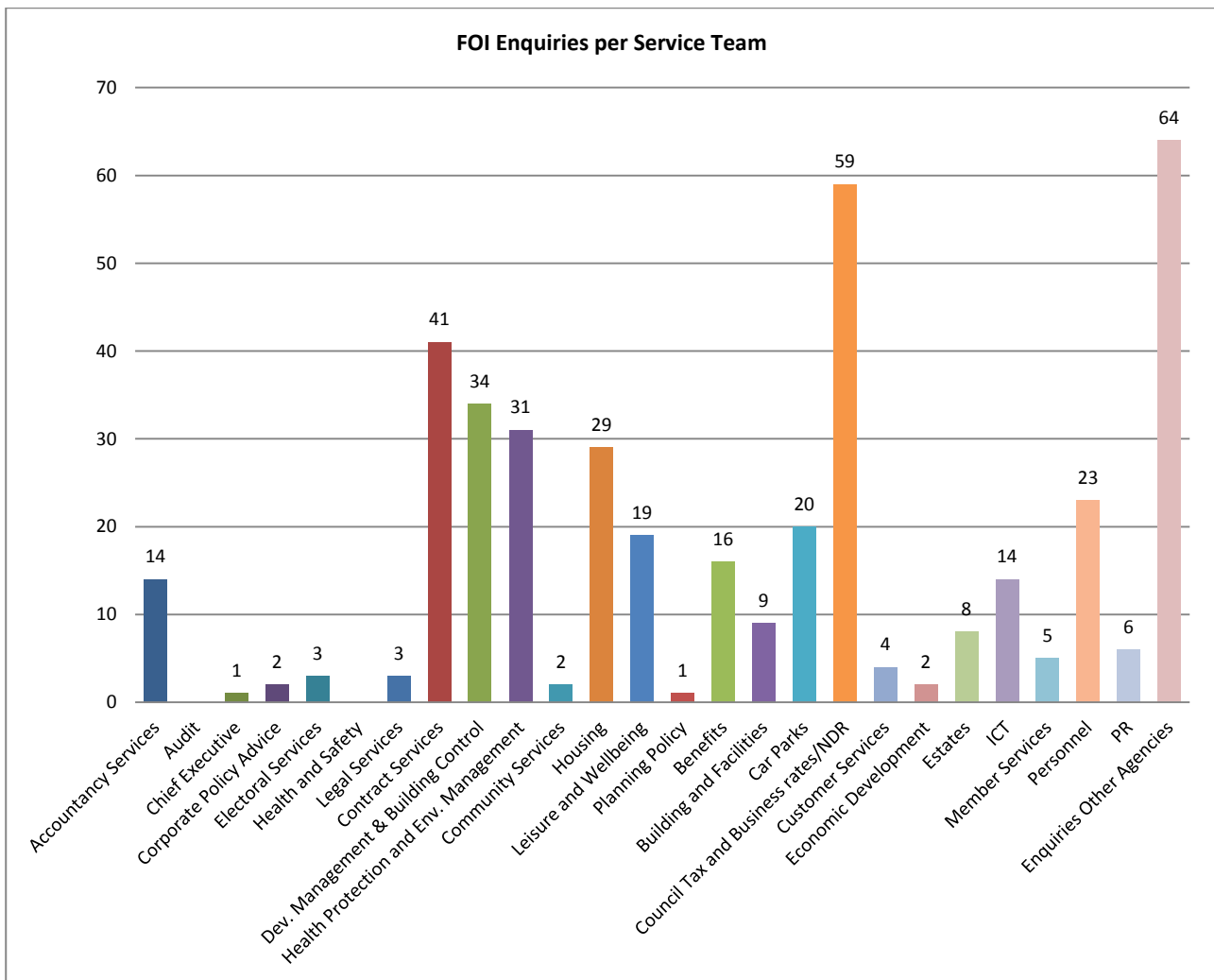
5. Freedom of Information Requests

5.1 The Freedom of Information Act gives people the right to ask the Council for recorded information held (with the exception of personal data). The Act requires authorities to respond to these requests within 20 working days.

5.2 In June 2013, responsibility for monitoring these requests transferred to Customer Services. From June 2013 – May 2014 410 requests have been received (64 of these were redirected to other agencies).

5.3 93% of the requests were answered within the 20 working day deadline.

5.4 The number of requests received can take a great deal of officer time to collate. Many requests continue to be received from the press or from commercial organisations. The legislation does not allow the Council to recover costs for the officer time involved unless the estimated staff costs involved in locating or compiling the information exceeds £450. The number of enquiries per service were as follows;



5.5 From the recorded information, the most popular requests were:-

- Public Health Funerals
- Credit Balances on Non Domestic Rates
- Information on Contracts held by the Authority
- Car Parking Income.

5.6 The purpose of the Freedom of Information Act is to provide transparency and access to information. The service analyses requests received and recommends that frequently asked requests be published on the Council's website.

6. Data Protection – Subject Access Requests

6.1 The Data Protection Act 1998 provides for individuals to request access to their personal information held by the authority. The authority is obliged to provide this information within 40 calendar days. Some agencies such as the Police and HMRC have the authority to request an individuals' personal data held by the authority to assist in their investigations. The Act also prescribes the authorities responsibilities in terms of security, handling and retention of personal data. The Information Commissioners Office monitor the authority's handling of data, investigate any

breaches of the Act and can fine an authority up to £500,000 for a significant or repeated breach or loss.

6.2 In 2013-14 17 requests were received. All were responded to within the time period.

7. Conclusion

7.1 The primary purpose of investigating complaints is to resolve customer dissatisfaction where possible. However, by recording and monitoring the nature of complaints, it is possible to identify trends or address issues to avoid future complaints and to improve service delivery and/or to contribute to a review of policy. The following mechanisms are in place to assist in the capture and improvement of customers' perception of service delivery:-

- The website has the option to provide feedback on usability and usefulness on each page. This information is fed back to the service areas.
- The Customer Service Centre undertakes monthly performance monitoring with customers and use this information to identify areas for service improvement.
- All telephone calls to the Customer Service Centre are recorded and monitored. These recordings are used to mentor and train staff with a view to improving quality of service.
- Performance in dealing with customer enquiries within the Customer Service Centre is also monitored and recorded on a daily basis. This data is used to ensure quality of service and make improvements where necessary.
- The Council have a Facebook and Twitter account which is a quick and easy way for customers to make contact and provide feedback.

8. Alternatives that have been considered

8.1. None

9. Resource and legal implications

9.1. The Council are obliged to comply with the requirements of the Freedom of Information Act 2000, the Data Protection Act 1998, to register with the Information Commissioner as a Data Controller and to assist the Local Government Ombudsman and Information Commissioner in any investigations or complaints received regarding the authority.

10. Consultation

Customers are actively encouraged to provide feedback through a variety of channels.

11. Community impact and corporate risks

There are corporate reputational and financial risks associated with non-compliance of the Data Protection Act.

12. Other Implications

	Yes	No
Crime and Disorder:		X
Climate Change		X
Human Rights and Equality Impact		X
Safeguarding		X
Other (please specify) eg biodiversity		x

13. Appendices

13.1. Appendix A – Analysis of Formal Complaints 2013/14

14. Background Papers

14.1. None

Complaints Report 2013-2014

Type of Complaint	Service Team	Stage 1	Stage 2	Stage 3 LGO	Case Description
Officer Conduct	Contract Services	√			Complaint concerning non collection of recycling and rudeness of collection crew.
Officer Conduct/Performance	Contract Services	√			Personal remarks made by waste collectors in earshot of customer.
Officer Conduct/Performance	Contract Services	√			complaint re Manager and his crew
Officer Conduct/Performance	Contract Services	√			Complaint concerning waste services, driver churned grass verge and when customer challenged driver he was rude.
Procedures Enforcement	Contract Services	√			Payment for replacement bins.
Quality of Service	Contract Services	√			No response to e-mail enquiry about litter and debris at Portfield football ground
Quality of Service	Contract Services	√			Bin not collected on more than one occasion.
Quality of Service	Contract Services	√			Bin Collection point for flats.
Quality of Service	Contract Services	√			Complaint concerning driver when overtaking a horse and rider.
Quality of Service	Contract Services	√			Bin collection times
Quality of Service	Contract Services	√			Complaint concerning language of waste crew when collecting rubbish
Quality of Service	Contract Services	√			Complaint about the crew not putting her bin back. John Griffiths met with resident on site on the 30th October to discuss with crew and resolve. There was an issue with the steps but the crew have now been instructed how to return the bin to the collection point.
Quality of Service	Contract Services	√			Complaint concerning information published on our website regarding bin collection during stormy weather forecast.
Quality of Service	Contract Services	√			Complaint about where the bins are left after collection.
Quality of Service	Contract Services	√			Complaint about the crew not clearing up.
Quality of Service	Contract Services	√			Complaint about the manager of the refuse crew and his behaviour towards them.

Type of Complaint	Service Team	Stage 1	Stage 2	Stage 3 LGO	Case Description
Quality of Service	Contract Services	√			Complaint concerning attitude of Refuse crew re collection of recycling bin.
Quality of Service	Contract Services	√			Complaint re bin collection service.
Quality of Service	Contract Services	√			Complaint concerning litter at Priory Park.
Quality of Service	Contract Services	√			Complaint concerning sand pit at Exton Road park. Children have been throwing sand at others and it is getting in their eyes.
Officer Conduct/Performance	Customer Services	√			Customer felt member of staff rude.
Quality of Service	Customer Services	√			Complaint that CSO was patronising when advising that customer would have to put in a pre-app and could not see a duty planning officer in the afternoon.
Quality of Service	Customer Services	√			Complaint concerning wait time in reception.
Committee Decision	Development Management	√			Planning Application.
Committee Decision	Development Management		√		Not satisfied with Stage 1 response complaint concerning planning application
Officer Conduct/Performance	Development Management	√			Complaint about officer not responding to messages and taking their time about planning app 12/02311/FUL
Officer Decision	Development Management	√			Decision regarding advice given by officer re new driveway
Officer Decision	Development Management	√			Advice given by Duty Officer
Officer Decision	Development Management			√	Complaint reference: 12 021 109 Enforcement Complaint. 13 004 023 Decision outside jurisdiction. Closed after initial enquiries
Procedures Enforcement	Development Management			√	Advice given re planning. Ombudsman Ref 13 002 082 Ombudsman Decision not in jurisdiction (OJ) & discretion not exercised. Closed after initial enquiries
Procedures Enforcement	Development Management			√	Ombudsman Ref 13/011/953 Planning Application Decision Record as: Planning & Development and the decision as: Outside jurisdiction discretion not exercised. Closed after initial enquiries.
Procedures Enforcement	Development Management	√			Planning Application Decision
Procedures Enforcement	Development Management		√		Planning Application
Procedures/Enforcement	Development Management			√	Ref: 12 016 921 Planning application decision. Decision discontinue investigation not upheld

Type of Complaint	Service Team	Stage 1	Stage 2	Stage 3 LGO	Case Description
Procedures/Enforcement	Development Management			√	Ref 13 003 492 Final decision not to investigate the complaint Planning & Development and the decision as: not investigated. Closed after initial enquiries
Procedures/Enforcement	Development Management			√	Ref: 13 014 585 Complaint concerning section 106 monies and how they were distributed Planning & Development and the decision as: Not in jurisdiction (OJ) & no discretion. Closed after initial enquiries.
Procedures/Enforcement	Development Management	√			Complaint concerning the street art exhibition
Procedures/Enforcement	Development Management	√			Complaint concerning Listed Building.
Procedures/Enforcement	Development Management	√			Non-compliance of planning condition.
Procedures/Enforcement	Development Management	√			Release of customer information by Enforcement team
Procedures/Enforcement	Development Management	√			Complaint that neighbouring properties were not advised of planning application, nor was a yellow notice posted
Procedures/Enforcement	Development Management	√			Planning Enforcement Complaint
Procedures/Enforcement	Development Management	√			Complaint concerning breached conditions for planning conditions.
Procedures/Enforcement	Development Management	√			Complaint concerning the condition of posted site notice
Procedures/Enforcement	Development Management	√			Complaint regarding Agricultural tie
Procedures/Enforcement	Development Management		√		Complaint concerning Planning Application - Stage 2 investigation per DS
Procedures/Enforcement	Development Management		√		Customer not happy for Stage 1 response re Enforcement complaint.
Procedures/Enforcement	Development Management		√		Advice given concerning parking bay. Customer not satisfied with Stage 1 response
Procedures/Enforcement	Development Management		√		Customer not happy with Stage 1 response re conditions not being enforced on planning application
Procedures/Enforcement	Development Management		√		Planning Application.
Quality of Service	Development Management	√			No response to letter concerning the customers planning application.
Quality of Service	Development Management	√			Customer unable to view planning applications on-line. No notification on our website to advise customers.
Quality of Service	Development Management	√			No response to a letter concerning planning conditions.

Type of Complaint	Service Team	Stage 1	Stage 2	Stage 3 LGO	Case Description
Quality of Service	Development Management	√			Delay in Planning Permission which is costing money.
Quality of Service	Development Management	√			Customer has not received response to PD enquiry sent in October.
Quality of Service	Development Management	√			Complaint concerning service received when making a pre-application
Quality of Service	Development Management			√	Ref 13 009 003 Complaint concerning not receiving a receipt for monies after submitting a pre application enquiry. This complaint had already been answered. Decision closed after initial enquiries
Officer Conduct/Performance	Environmental Protection	√			Lakeside Holiday Park H & S issues raised with EH.
Officer Conduct/Performance	Environmental Protection	√			Complaint concerning conduct of Environmental Health Officer whilst investigating noise complaint.
Officer Conduct/Performance	Environmental Protection	√			Lakeside Holiday Park H & S issues raised with EH.
Officer Conduct/Performance	Environmental Protection		√		Lakeside Holiday Park H & S issues raised with EH.
Procedures Enforcement	Environmental Protection	√			Complaint against the ways their enquiry was dealt with concerning Fixed Penalty Notices
Procedures Enforcement	Environmental Protection	√			Dog Complaint and associated correspondence with this case.
Procedures/Enforcement	Environmental Protection	√			Insufficient action from EH re noise complaint
Procedures/Enforcement	Environmental Protection	√			Complaint concerning smoking in private grounds
Procedures/Enforcement	Environmental Protection	√			Proposed beach recharge using the shingle under the 'Selsey West Beach Shingle Recharge Scheme
Procedures/Enforcement	Environmental Protection		√		Noise Complaint
Procedures/Enforcement	Estates		√		Portfield Football Ground site - unauthorised use
Officer Conduct	Housing	√			Customer complaint about attitude of Housing Officer when returning key for Westward House.
Officer Conduct	Housing	√			Complaint concerning attitude of Homemove Officer and Housing Officer
Officer Conduct	Housing	√			Complaint against member of Housing Staff.
Officer Conduct/Performance	Housing	√			Complaint concerning conduct of Housing Office
Officer	Housing	√			Officer decision not to accept a homeless application. Shelter has asked

Type of Complaint	Service Team	Stage 1	Stage 2	Stage 3 LGO	Case Description
Conduct/Performance					for this to be treated as a formal complaint before applying for a judicial review.
Officer Conduct/Performance	Housing	√			Rob had received this on the 2nd Dec but would like it recorded as a complaint. Customer is not happy with being taken off the Housing register.
Procedures Enforcement	Housing	√			Allocation of affordable housing in Wittering area
Procedures Enforcement	Housing	√			Complaint concerning priority transfer and how the council have dealt with it.
Procedures Enforcement	Housing	√			Complaint concerning customer being removed from housing register. Age UK is acting on behalf of customer.
Procedures/Enforcement	Housing		√		Banding review complaint
Quality of Service	Housing	√			Customer did not receive a call back re enquiry about misallocation of housing because we had failed to record her local connections
Quality of Service	Housing	√			Homemove banding complaint
Quality of Service	Housing	√			Complaint about how customer has been treated by Housing
Quality of Service	Housing			√	Complaint to ombudsman re lack of housing priority. Ref: 13 009 363. Decision by Ombudsman not to investigate.
Procedures/Enforcement	Licensing	√			Granting of Temporary Event notice for public event at Verdley on 21 July.
Committee Decision	Parking Services	√			Complaint concerning increase in Parking Charges.
Officer Conduct	Parking Services	√			Complaint concerning attitude of CEO when issuing a parking ticket and their general conduct in Cooper Street, smoking, littering act
Officer Conduct/Performance	Parking Services	√			Conduct of Bailiffs officer when collecting a parking fine
Officer Conduct/Performance	Parking Services	√			Complaint concerning Midhurst Car Parks - no response to previous correspondence and conduct of Parking Officers.
Officer Conduct/Performance	Parking Services	√			Complaint about Civil Enforcement Officer laughing at him whilst giving him a ticket.
Officer Conduct/Performance	Parking Services	√			Complaint about Car Parking Enforcement Officer
Officer Conduct/Performance	Parking Services	√			Complaint concerning conduct of Parking Enforcement Officer whilst issuing a PCN.
Officer Conduct/Performance	Parking Services	√			Conduct of Car Parking Enforcement Officer

Type of Complaint	Service Team	Stage 1	Stage 2	Stage 3 LGO	Case Description
Officer Conduct/Performance	Parking Services		√		Not satisfied with Stage 1 response re conduct of Car Parking Enforcement Officer when issuing a PCN
Officer Decision	Parking Services	√			Councils' decision to install new parking payment machines that take a credit but not the Councils parking smart card. Poor display of information on the new machines.
Officer decision	Parking Services	√			The installation of new parking machines which take credit/debit cards but the Councils parking smart card. Poor information about when you can pay by smart card on these machines.
Officer Decision	Parking Services	√			Officer decision not to agree to appeal re PCN.
Procedures Enforcement	Parking Services	√			Parking Charges increase.
Procedures Enforcement	Parking Services	√			Penalty Charge Notice.
Procedures Enforcement	Parking Services	√			Issue of Penalty Charge Notice
Procedures/Enforcement	Parking Services			√	LGO Ref 13 012 017 Ombudsman investigation - PCN - Bailiff Complaint upheld Investigation complete, satisfied with authority's actions
Procedures/Enforcement	Parking Services	√			Complaint concerning residents parking permit.
Procedures/Enforcement	Parking Services	√			Complaint concerning Rundles and Council Tax not replying to request for assistance.
Procedures/Enforcement	Parking Services	√			Complaint regarding Westgate parking machines not working and therefore not being able to get a refund at Westgate reception.
Procedures/Enforcement	Parking Services	√			Parking offence
Procedures/Enforcement	Parking Services	√			Queues forming in road for Little London Car Park causing access to be blocked to properties in this road
Procedures/Enforcement	Parking Services	√			Complaint concerning the amount of time it took to process parking fine appeal. Response late
Procedures/Enforcement	Parking Services	√			Parking on yellow lines in Selsey
Procedures/Enforcement	Parking Services	√			Car parking machine overcharges.
Procedures/Enforcement	Parking Services	√			CCTV not working in Car Park when customer car stolen.
Procedures/Enforcement	Parking Services	√			Second complaint received concerning misuse of disabled parking bays at Kingsham Road Chichester.
Procedures/Enforcement	Parking Services	√			Complaint about the new parking machines that they only take credit cards and not the Councils smart parking card. Customers have to access

Type of Complaint	Service Team	Stage 1	Stage 2	Stage 3 LGO	Case Description
					a different machine to use their smart card.
Procedures/Enforcement	Parking Services	√			Complaint about the wording online of the season ticket renewals over Christmas
Procedures/Enforcement	Parking Services	√			Complaint concerning no response to letter re amount of time allowed for customer to get out of vehicle when disabled.
Procedures/Enforcement	Parking Services	√			Charge for disabled parking in zoned area.
Procedures/Enforcement	Parking Services	√			Complaint concerning issue of PCN and officers explanation to refuse appeal.
Procedures/Enforcement	Parking Services	√			Complaint concerning the design of the speed ramp at East Beach Car Park.
Procedures/Enforcement	Parking Services		√		Customer not happy with Stage 1 response - Complaint concerning conduct of bailiffs to recover parking fine.
Procedures/Enforcement	Parking Services	√			Conduct of bailiffs whilst recovering a parking fine.
Quality of Service	Parking Services	√			New parking machines not able to take credit and smart cards
Quality of Service	Parking Services	√			Complaint about new parking charges.
Quality of Service	Parking Services	√			Parking at Westgate.
Quality of Service	Parking Services	√			Size and number of disabled bays in Orchard Street parking and lack of information on parking information on our website.
Quality of Service	Parking Services	√			Complaint concerning a PCN being issued when the customer had requested a season ticket.
Quality of Service	Parking Services	√			Parking machine not working.
Quality of Service	Parking Services	√			Complaint concerning display sign for Sunday parking. Charges shown on signage are very small
Quality of Service	Parking Services	√			Complaint about parking machine taking money and not giving change.
Quality of Service	Parking Services	√			Complaint concerning the Debit/Credit card machines at Northgate car park, they keep breaking down, the customer does not want to carry changes and finds this extremely annoying.
Quality of Service	Parking Services	√			Complaint about being refused parking permits for his builder to do emergency repairs.
Officer Conduct	Revenues	√			Council Tax

Type of Complaint	Service Team	Stage 1	Stage 2	Stage 3 LGO	Case Description
Officer Conduct/Performance	Revenues	√			Complaint concerning handling of benefit claim and alleged rudeness of officers she spoke to regarding this matter.
Officer Decision	Revenues	√			Complaint concerning business rates, customer not informed about the Councils discretionary power re Business rates.
Procedures/Enforcement	Revenues			√	Ombudsman reference 13 004 440 Benefits & Tax and the decision as: Not in jurisdiction (OJ) & discretion not exercised. Decision closed after initial enquiries
Procedures/Enforcement	Revenues	√			Publication of document re benefit fraud on our website.
Procedures/Enforcement	Revenues	√			Complaint re actions of Rundles regarding Council tax arrears.
Procedures/Enforcement	Revenues	√			The manner of the investigation of a Benefit fraud case.
Procedures/Enforcement	Revenues	√			Council Tax.
Procedures/Enforcement	Revenues	√			Complaint about delay in Benefit Claim settlement.
Procedures/Enforcement	Revenues		√		Complaint concerning Rundles and Council Tax not replying to request for assistance. Not satisfied with Stage 1 response.
Procedures/Enforcement	Revenues		√		Complaint re actions of Rundles regarding Council tax arrears. Not satisfied with Stage 1 response.
Quality of Service	Revenues	√			Inconsistent information re Council tax arrears
Quality of Service	Revenues	√			Customer's benefit information sent to another customer in the post by error.
Quality of Service	Revenues	√			Correspondence being sent to a deceased person's address after the council had been informed and all accounts paid.
Quality of Service	Revenues	√			Housing Benefit claim.
Quality of Service	Tourist Information	√			Lack of leaflets at new TIC and customer was told to go to Hampshire or use the internet for tourist information for the Isle of Wight.
Procedures/Enforcement	Westgate	√			Operation of Health Suite equipment at Westgate
Quality of Service	Westgate	√			Complaint concerning the condition of the changing rooms at Westgate.
TOTALS		120	15	10	

Chichester District Council

CORPORATE GOVERNANCE & AUDIT COMMITTEE 25 September 2014

Audit Reports & Progress Report

1. Contact

Report Author:

Stephen James – Principal Auditor

Tel: 01243 534736

E-mail: sjames@chichester.gov.uk

2. Recommendations

That the committee notes the audit reports and audit plan progress.

3. Main Report

3.1. 1 The Ridgeway

Internal Audit carried out a routine audit of Estates and the standard test for debt recovery highlighted that there was a significant amount of historic debt relating to a shop 1 The Ridgeway. This investigation was a review into the circumstances that gave rise to this debt.

Four recommendations have been made which have been agreed by management.

3.2. Complaints

Internal Audit found the Complaints process within Chichester District Council to be open and transparent. There are a couple of areas where controls could be strengthened, however, overall Internal Audit were satisfied with the way the service is being operated.

One recommendation has been made which has been agreed by management.

3.3. Income Management

Internal Audit undertook a review using the 2013/2014 budgets across all services and departments with an income budget based on actual outturn greater than 20k. This review excluded Council Tax and Non Domestic Rates. It was found that following previous reviews some progress had been made, however, some services are still struggling to carry out a full reconciliation.

Internal Audit has made two recommendations which have been agreed by management.

3.4. Car Parks – PCN's

The Car Parks undertakes a number of responsibilities, this audit focused purely on Penalty Charge Notices (PCN's). During the previous audit the service was under pressure and had a backlog of PCN's. From testing carried out the service has put measures in place to improve their processes.

Internal Audit has made three recommendations which have been agreed by management.

4. Climate Change Implications

None

5. Human Rights and Equality Impact

None

6. Appendices

Appendix 1 Audit Plan Progress Report

7. Background Papers

1. Audit Report - 1 The Ridgeway
2. Audit Report - Complaints
3. Audit Report - Income Management
4. Audit Report - Car Parks - PCNs

Progress Report – Audit Plan



As at 31 August 2014

Appendix 1 of agenda item 11

Audits	Auditor	No of Days	Days Remaining	Position with Audit
Customer Services Centre - Customer Care	Stephen James	20	20	
Contract Compliance - Assurance Testing	Sarah Hornsby	10	10	
Key Financial Systems - See below for details	Sue Shipway / Ann Kirk / Julie Ball / Sarah Hornsby	110	72	On-going
Data Collection - How do we treat data	Sarah Hornsby / Ann Kirk / Julie Ball	15	11	Background
Budgetary Control	Ann Kirk / Julie Ball	15	14.5	Background
Trade Waste	Sue Shipway	15	10	Testing
Post Implementation Testing - FMS - CIVICA	Sue Shipway / Sarah Hornsby / Ann Kirk / Julie Ball	40	33	On-going
Section 106/CIL	Sarah Hornsby	20	20	
Cash Management (Banking Arrangements & Collection)	Sue Shipway	20	19	Background
CRB Checks	Julie Ball	10	8	Background
Service Reviews	Ann Kirk	15	15	
Business Continuity	Sarah Hornsby	10	10	
Emergency Planning	Sue Shipway	15	15	
Procurement	Sue Shipway	15	15	
Carry Forwards	Stephen James / Sue Shipway	10	9	
Other Audit Activities	Auditor	No of Days	Days Remaining	Position with Audit
Audit Reviews	Stephen James	10	0	
Chichester Contract Services Quality Audits	Stephen James	20	20	
Corporate Advice	Stephen James / Sue Shipway / Ann Kirk / Julie Ball	10	8	

Contingency	Stephen James / Sue Shipway / Ann Kirk / Julie Ball	84	40.5	
Partnership & AGS	Stephen James	20	1	On-going
AGS Evidence	Stephen James	10	6	On-going
PSIAS	Stephen James	20	2	On-going
Individual Service Risk Register & Corporate Risk Register	Stephen James	10	10	
Internet & E-mail	Julie Ball	5	4.5	
Performance Standard	Ann Kirk / Julie Ball	15	15	
NFI	Ann Kirk	20	1	
Mileage	Sarah Hornsby	10	7	Testing
Follow Ups	Ann Kirk / Julie Ball	20	11	On-going
Completed Audits				
Fraud Review	Sue Shipway	0	0	
Car Parks, PCN	Julie Ball / Ann Kirk	18	0	
Complaints Customer Care	Ann Kirk	5	0	
Income Management	Sue Shipway / Sarah Hornsby	30	0	
Inclusion in Key Financial Systems				
Walkthroughs	Sue Shipway / Ann Kirk / Julie Ball / Sarah Hornsby	33		
Creditors	Sue Shipway / Ann Kirk / Julie Ball / Sarah Hornsby	11		
Debtors	Sue Shipway / Ann Kirk / Julie Ball / Sarah Hornsby	11		
Payroll	Sue Shipway / Ann Kirk / Julie Ball / Sarah Hornsby	11		
NNDR	Sue Shipway / Ann Kirk / Julie Ball / Sarah Hornsby	11		
Council Tax	Sue Shipway / Ann Kirk / Julie Ball / Sarah Hornsby	11		
Bank Reconciliation	Sue Shipway / Ann Kirk / Julie Ball / Sarah Hornsby	11		
Budgetary Control	Sue Shipway / Ann Kirk / Julie Ball / Sarah Hornsby	11		