Public Document Pack

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A meeting of **Corporate Governance & Audit Committee** will be held in Committee Room 2, East Pallant House on **Thursday 29 June 2017** at **9.30 am**

MEMBERS: Mrs P Tull (Chairman), Mr G Barrett (Vice-Chairman), Mr J Brown, Mr T Dempster, Mrs N Graves, Mrs P Hardwick, Mr G Hicks, Mr F Hobbs, Mr S Morley and Mr P Wilding

AGENDA

1 **Chairman's Announcements**
Any apologies for absence that have been received will be noted at this point.

2 **Approval of Minutes**
The committee is requested to approve the minutes of its ordinary meeting on 30 March 2017.

3 **Urgent items**
The chairman will announce any urgent items that due to special circumstances are to be dealt with under the Late Items agenda item.

4 **Declarations of Interest**
These are to be made by members of the Corporate Governance and Audit Committee or other Chichester District Council members present in respect of matters on the agenda for this meeting.

5 **Public Question Time**
The procedure for submitting public questions in writing by no later than 12:00pm the day before the meeting is available here or from the Democratic Services Officer (whose contact details appear on the front page of this agenda).

6 **Audit and Certification Fees 2017-18 - Ernst & Young LLP** (Pages 1 - 4)
To review the proposed audit and certification work that Ernst & Young LLP proposes to undertake in 2017-18 and the fees for this work.

7 **Audit Progress Report 2016-17 - Ernst & Young LLP**
To receive an oral update on progress against the Audit Plan 2016-17.

8 **Corporate Debt Recovery Policy and Write-Off Policy** (Pages 5 - 19)
To consider the updated Corporate Debt Recovery Policy and new Write-off Policy and recommend them to Cabinet for approval.

9 **Treasury Management 2016-17 Outturn Report** (Pages 20 - 35)
To consider the review of Treasury Management activity and performance for 2016-17 and to make any comments to Cabinet and to note the final Prudential Indicators for 2016-2017 to 2021-2022 as detailed in appendix 1 to the report.

10 **S106 and Community Infrastructure Levy (CIL) Annual Monitoring Report** (Pages 36 - 40)

To consider an annual report setting out new agreements signed, income received and monies spent for the previous financial year including an update on non-financial obligations and information on those S106 agreements due to expire within two years.

11 **Corporate Health & Safety and Business Continuity Management** (Pages 41 - 46)
To consider and note the Council's arrangements in place for monitoring and controlling the risks associated with health and safety and business continuity matters.

12 **Internal Audit Reports and Progress against the Audit Plan** (Pages 47 - 69)
To consider the two audit reports and to make any comments and to note progress against the audit plan.

13 **Appointments to Strategic Risk Group**
The committee is requested to consider and confirm the committee's three representatives on the Strategic Risk Group for the 2017-18 year. Current members are Mrs T Tull, Mr G Barrett and Mr G Hicks.

14 **Late items**
The committee will consider any late items as follows:
a) Items added to the agenda papers and made available for public inspection
b) Items that the chairman has agreed should be taken as a matter of urgency by reason of special circumstances to be reported at the meeting

15 **Exclusion of the Press and Public**
The Committee is asked to consider in respect of the following item(s) whether the public, including the press, should be excluded from the meeting on the grounds of exemption under Parts I to 7 of Schedule 12A of the Local Government Act 1972, as indicated against the item and because, in all the circumstances of the case, the public interest in maintaining the exemption of that information outweighs the public interest in disclosing the information. **The reports dealt with under this part of the agenda are attached for members of the Corporate Governance & Audit Committee and senior officers only (salmon paper)**.

16 **Potential liabilities of the Council** (Pages 70 - 73)
To consider this annual report which provides information regarding any potential liabilities of the Council in relation to outstanding litigation.

NOTES

1. The press and public may be excluded from the meeting during any item of business where it is likely that there would be disclosure of "exempt information" as defined in section 100A of and Schedule 12A to the Local Government Act 1972.

2. Restrictions have been introduced on the distribution of paper copies of supplementary information circulated separately from the agenda as follows:
   a) Members of the Corporate Governance & Audit Committee, the Cabinet and Senior Officers receive paper copies of the supplements (including appendices).
   b) The press and public may view this information on the council's website here [here] unless they contain exempt information.

3. The open proceedings of this meeting will be audio recorded and the recording will be retained in accordance with the council's information and data policies. If a member of the public enters the committee room or makes a representation to the meeting, they will be deemed to have consented to being audio recorded. If members of the public have any

queries regarding the audio recording of this meeting, please liaise with the contact for this meeting at the front of this agenda.

4. Subject to the provisions allowing the exclusion of the press and public, the photographing, filming or recording of this meeting from the public seating area is permitted. To assist with the management of the meeting, anyone wishing to do this is asked to inform the chairman of the meeting of their intention before the meeting starts. The use of mobile devices for access to social media is permitted, but these should be switched to silent for the duration of the meeting. Those undertaking such activities must do so discreetly and not disrupt the meeting, for example by oral commentary, excessive noise, distracting movement or flash photography. Filming of children, vulnerable adults or members of the audience who object should be avoided.

Building a better working world

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Diane Shepherd
Chief Executive
Chichester District Council
East Pallant House
1 East Pallant
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PO19 1YT

11 April 2017

Ref: CDC/1718 Fee Letter

Direct line: 07974 757910

Email: PKing1@uk.ey.com

Dear Diane

Annual Audit and Certification Fees 2017/18

We are writing to confirm the audit and certification work that we propose to undertake for the 2017/18 financial year at Chichester District Council.

From 1 April 2015, the duty to make arrangements for the audit of the accounts and the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government. In October 2015, the Secretary of State confirmed that the transitional arrangements would be extended for one year for audits of principal local government bodies only, to cover the audit of the accounts for 2017/18. The audit contracts previously let by the Audit Commission and novated to PSAA have therefore also been extended for one year to give effect to this decision.

From 2018/19, new arrangements for local auditor appointment set out in the Local Audit and Accountability Act 2014 will apply for principal local government and police bodies. These audited bodies will be responsible for making their own arrangements for the audit of the accounts and certification of the housing benefit subsidy claim. The PSAA will play a new and different role in these arrangements.

Indicative audit fee

For the 2017/18 financial year PSAA has set the scale fee for each audited body, following consultation on its Work Programme and Scale of Fees. There are no planned changes to the overall work programme for 2017/18. It is therefore proposed by PSAA that scale fees are set at the same level as the scale fees applicable for 2016/17. These fees reflect the significant reductions made to scale fees since 2012/13.

The fee reflects the risk-based approach to audit planning set out in the National Audit Office's Code of Audit Practice for the audit of local public bodies.

The audit fee covers the:

- audit of the financial statements;
- value for money conclusion; and
- whole of Government accounts.

For Chichester District Council our indicative fee is set at the scale fee level. This indicative fee is based on certain assumptions, including:

- the overall level of risk in relation to the audit of the financial statements is not significantly different from that of the prior year;
- officers meeting the agreed timetable of deliverables;
- the operating effectiveness of the internal controls for the key processes identified within our audit strategy;
- we can rely on the work of internal audit as planned;
- our accounts opinion and value for money conclusion being unqualified;
- appropriate quality of documentation is provided by the Council;
- there is an effective control environment; and
- prompt responses are provided to our draft reports.

Meeting these assumptions will help ensure the delivery of our audit at the indicative audit fee which is set out in the table below.

As we have not yet completed our audit for 2016/17, our audit planning process for 2017/18 will continue as the year progresses. Fees will be reviewed and updated as necessary, within the parameters of our contract.

Certification fee

The PSAA sets an indicative certification fee for housing benefit subsidy claim certification work for each audited benefits authority. The indicative fee for 2017/18 will be based on actual 2015/16 benefit certification fees. As the actual 2015/16 benefit certification fee has not been finalised by PSAA at the time of writing they have not yet set the 2017/18 certification fees.

The indicative certification fee is based on the expectation that an audited body is able to provide the auditor with complete and materially accurate housing benefit subsidy claim with supporting working papers, within agreed timeframes.

The indicative certification fee for 2017/18 relates to work on the housing benefit subsidy claim for the year ended 31 March 2018. We will set the certification fee at the indicative fee level. We will update our risk assessment after we complete our 2016/17 benefit certification work, and to reflect any further changes in the certification arrangements.

Summary of fees

	Indicative fee 2017/18 £	Planned fee 2016/17 £	Actual fee 2015/16 £
Total Code audit fee	49.090	49.090	49.090
Certification of housing benefit subsidy claim	TBC	9,913	7,847
Total	TBC	59,003	56,937

Any additional work that we may agree to undertake (outside of the Code of Audit Practice) will be separately negotiated and agreed with you in advance.

Billing

The indicative code audit fee will be billed in four quarterly instalments of £12,272.50. Additionally, we will bill 25% of the indicative certification fee each quarter when it has been determined.

Audit plan

Our plan is expected to be issued in January 2018. This will communicate any significant financial statement risks identified, planned audit procedures to respond to those risks and any changes in fee. It will also set out the significant risks identified in relation to the value for money conclusion. Should we need to make any significant amendments to the audit fee during the course of the audit, we will discuss this in the first instance with the Head of Finance & Governance Services and, if necessary, prepare a report outlining the reasons for the fee change for discussion with the Corporate Governance and Audit Committee.

Audit team

The key members of the audit team for the 2017/18 financial year are:

Paul King Executive Director	pking1@uk.ey.com	Tel: 07974 757910
Martin Young Manager	myoung1@uk.ey.com	Tel: 07867 152513

We are committed to providing you with a high quality service. 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, please contact me. 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.

Yours sincerely

Paul King
Executive Director
For and on behalf of Ernst & Young LLP

cc. Councillor Tull, Chair of the Corporate Governance and Audit Committee
John Ward, Head of Finance & Governance Services

Chichester District Council

CORPORATE GOVERNANCE & AUDIT **29 JUNE 2017**

Corporate Debt Recovery Policy and Write-Off Policy

1. Contacts

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

2. Recommendation

2.1. That the Committee considers the updated Corporate Debt Recovery Policy and new Write-off Policy and recommends them to Cabinet for approval.

3. Background

3.1. In October 2014 Cabinet approved the Council's Corporate Debt Recovery Policy which was drafted following the Taking Control of Goods (Fees) Regulations 2014 coming into force on 6 April 2014. The aim of this Government legislation was to clarify the law, introduce a transparent fee structure and regulate the enforcement industry.

3.2. As a result of the legislation, debtors (who owe money to a third party) and creditors (who are owed money) should now easily understand their rights and be assured that there is no scope for unlawful force when enforcing debts. Standards of behaviour are guaranteed by a mandatory training regime and there are now appropriate standards for entering the enforcement profession (previously known as the bailiff profession). The public now get better information and guidance, so that they know where to go for help when in financial difficulties, and what their rights are when something goes wrong.

3.3. In view of the legislation, the Corporate Debt Recovery Policy was developed to promote a co-ordinated approach in the Council at an early stage in the recovery process so that debtors are better able to manage multiple debts to the Council, and it also acknowledged that vulnerable people may need extra assistance in dealing with their financial affairs.

3.4. To ensure a consistent approach the Revenues Recovery Team manages the recovery and enforcement of all unpaid corporate debts with the exception of parking fines, which are subject to the Civil Enforcement of Parking legislation and managed by the Car Parking Service. The parking fines are normally due for payment within 28 days of being issued, but the service operate a payment plan policy for individuals where exceptional circumstances apply, which is consistent with the Council's Corporate Debt Recovery Policy.

4. Outcomes to be achieved

4.1. That the Corporate Debt Recovery Policy remains up to date and relevant.
4.2. That the Council has a clear and transparent policy for the write off of debt which is deemed to be uncollectable.

5. Proposal

5.1. As the Corporate Debt Policy has been unchanged since it was approved in 2014, some minor amendments have been made and these are tracked in the document attached in Appendix 1.

5.2. In order to improve transparency in relation to debt that is deemed to be uncollectable, that a new Write-off Policy sets out clearly when a debt will be written off. The Council's Constitution states, (under Part 3, Item 6 Page 73), that the Head of Finance & Governance Services has the delegated authority to "Write-off of outstanding accounts, which are considered to be irrecoverable, subject to members being informed of the total amount of such write-offs".

5.3. The proposed Write-off Policy is detailed in appendix 2, the aim of which is to clearly set out under what circumstances a debt is deemed to be irrecoverable so that the Revenue Recovery Team can submit the debt for write off approval by the Head of Finance & Governance Services, or specific officers authorised to approve smaller debts for write off.

6. Alternatives that have been considered

6.1. It is considered that corporate wide policies for both the recovery process, for money owed to the Council, and its write off policy ensures that a transparent and clear process for debtors to understand, and when a debt is considered to be irrecoverable and so can be written off. This ensures that the approach is consistent for all income streams as debtors may have arrears with more than one service department of the Council.

7. Resource and legal implications

7.1. The adoption of the amended policy, does not in itself have any resource implications, but aids transparency and understanding about the procedures and processes relating to debt recovery and write off protocols within the Council. This is because, as part of the Council's budget process the bad debt provision is reviewed for all its aged debt and the provision is adjusted as necessary. Provisions are also reviewed during the production of its statutory final accounts, to consider the debts written off during the year and whether the bad debts provisions remain sufficient or not.

7.2. Both these policies will promote good practice and a consistent approach in the recovery of debts and when the Revenue Recovery Team consider it is appropriate to recommend the write off any debts that are considered to be irrecoverable, after any necessary consultation with Legal Services.

8. Consultation

8.1. Consultation has been carried out with a number of services to update the existing Corporate Debt Recovery Policy and the drafting of the new Write off Policy. These included the exchequer team, revenues and benefits service, estates, and legal Services, plus the Head of Community Services from a financial inclusion viewpoint.

9. Community impact and corporate risks

9.1. The Corporate Debt Policy has provided debtors with the assurance that the Council recognises that some individuals and commercial organisations can have problems paying and that the Council aims to provide assistance to help them meet their obligations.

9.2. This Policy in no way promotes a two tier system, as there will always be customers who pay their bills on time and those who don't. The policy was established to support individuals and commercial organisations to deal with their debts, as they would still be expected to pay what is due.

9.3. The aim of the write off policy is to set out clearly when the Council will consider writing off debts it considers to be irrecoverable. However, should a debt need to be re-instated because the reason for write-off is no longer valid e.g. absconded debtor is subsequently found or assets identified, then the Council will reinstate the debt if appropriate to do so and within any time limitations.

10. Other Implications

	Yes	No
Crime & Disorder:		X
Climate Change:		X
Human Rights and Equality Impact: An updated Equalities Impact Assessment has been carried out and has concluded that these policies will have a positive impact on some individuals with protected characteristics and a neutral effect on other groups.	X	
Safeguarding:		X

11. Appendices

11.1. Appendix 1 – Amended Corporate Debt Recovery Policy
11.2. Appendix 2 – Write-off Policy

12. Background Papers

12.1. Equalities Impact Assessment

Chichester District Council

Corporate Debt Recovery Policy

(Updated April 2017)

1. Introduction

The Council raises a significant proportion of its total income through local taxes and charges. These sources of income provide core funding for the Council's services therefore we must adopt a policy to support the maximisation of debt recovery and income collection ensuring that billing, collection and recovery of all sums due are managed in a cost effective, consistent and sensitive manner.

Sums due to the Council can be a mixture of statutory and non-statutory charges. The methods for billing and recovery of statutory debts are tightly prescribed by statute and our practices must take these legislative requirements into account.

The Council also has wide ranging social responsibilities covering its various services so it is not possible to have one standard approach for the recovery of all types of debt, and specific arrangements are required to ensure that all client groups are dealt with fairly and appropriately.

This document sets out the general principles Chichester District Council will apply to debt management across the services we provide.

2. Aims

The aim of this Corporate Debt Policy is to achieve the prompt collection of sums of money due to the Council and to maximise collection whilst ensuring that a fair, proportionate and consistent approach is taken to the recovery of sums that are not paid when due with the aim to avoid increased indebtedness.

3. Objectives

The objectives of this policy are to;

- Apply best practice and transparency to debt collection,
- Ensure a professional and timely approach to recovery action,
- Maximise levels of income collected by the Council,
- Treat individuals consistently and fairly and in accordance with the Council's Equalities Strategy,
- Promote a coordinated approach towards managing multiple debts owed to the Council,
- Ensure that people in genuine financial difficulty are supported to claim any benefits they are entitled to and where appropriate are signposted towards free debt advice,
- Acknowledge that some people struggle to pay their bills and to adopt a more preventative approach to indebtedness where appropriate
- Ensure that vulnerable people are supported to manage their financial affairs effectively, including the payment of debt.

4. Guidelines and procedures

Good Practice

The Council's primary aim is to achieve best practice in the collection of debt. To achieve this it will follow the principles set out below;

- Issue requests for payment promptly and accurately,
- Provide clear bills, invoices, reminders and recovery notices in plain English which show clearly what to pay, when to pay it and how to pay,
- Respond quickly to notifications of changes in circumstances and applications for exemptions, discounts and reliefs,
- Commence action to recover unpaid amounts promptly to avoid the accumulation of arrears,
- Make it as easy as possible to pay bills by offering a wide choice of convenient payment options,
- Ensure that all debt recovery documents are clear and inform the debtor of the consequences of not paying,
- Publish clear information detailing recovery procedures, consequences of not paying and the options available to the Council to recover unpaid debts,
- Provide information about discounts, reliefs, council tax reductions, exemptions, discretionary housing payments and housing benefit and encourage the take-up of entitlement,
- Make it easy to contact the Council through a range of options including, by telephone, by e-mail, in writing and face to face at the Council's offices,
- Respond to all enquiries promptly and courteously,
- Signpost to free sources of independent money and debt advice,
- Ensure that all departments co-ordinate to manage multiple debts owed to the Council,
- Assist customers who have a legitimate dispute against the liability through to resolution,
- Be proactive in identifying vulnerable people and provide them with advice and assistance to help them to meet their financial obligation to the Council,
- Open communications promptly with customers to resolve difficulties with paying sums due
- Wherever possible use the least severe method of recovering a debt (subject to the method realising payment in a suitable period of time),
- Instigate statutory and legal proceedings in a timely manner where sums due are not paid, to avoid debts mounting, and when other efforts of support have failed,
- Recover the full cost of enforcement action from the debtor, but avoid imposing unnecessary or excessive charges,
- Respect the debtor's privacy by conducting enforcement activity as discretely as possible,
- The Council will provide assistance to Enforcement Agents relating to any queries to confirm that the correct action has been taken,
- Monitor enforcement action – through our quality control and expectations of Enforcement Agents,
- Keep all procedure notes associated with this policy up to date and relevant.

Responsibilities of Debtors

The Council expects any person or organisation that owes a sum of money to the Council, or should have a liability to pay, to comply with any and all legal obligations in respect of the liability or potential liability. The Council's commitments to a fair debt collection process are set out in this Policy and it is the Council's expectations that those owing sums to the Council will contribute to this process by abiding with the following principles;

- Pay amounts due promptly to ensure receipt by the Council on or before the date that payment is due,
- Follow instructions provided regarding the making of payments to ensure payments are credited correctly against the amount due,
- Inform the Council promptly of any changes to their circumstances that may affect the amount to be paid or the ability to pay,
- Notify the Council or the Enforcement Agent promptly if their address changes,
- Contact the Council promptly if it is believed the amount charged is not correct, both where the amount may be too much or too little,
- Contact the Council promptly if they are unable to pay an amount that is due.
- Where possible to produce evidence of proof if requested to enable appropriate action to be taken.

Arrangements for repayment of arrears

Anyone experiencing difficulty in making payment when it is due is encouraged to contact the Council at the earliest opportunity to discuss repayment options. Contact details can be found on all of the bills, invoices and recovery notices issued by the Council. Where contact is made consideration will be given to entering into an individual repayment arrangement based on the debtor's personal circumstances. The Council's staff will seek to obtain as much information as possible about the debtor's circumstances as considered necessary, including their engagement with any third party debt advice support, in order to make the best assessment of their ability to pay and to determine a realistic payment arrangement. More detailed information is likely to be required where the debtor claims to be unable to pay the debt over a short space of time and where the debt will not be repaid in full by the end of the financial year.

Where a debtor refuses to divulge any information that is considered essential to assessing their ability to pay then it is unlikely that a payment agreement will be entered into.

The Council collects a range of debts some of which have more serious consequences than others when there is non-payment. The following shows the consequences of certain debts. It is the Council's intention that customers should understand these consequences with a view to minimising the effects.

- Council Tax – can result in imprisonment.
- Court Fines (e.g. for traffic offences) can result in possession of goods or imprisonment.
- Residential rent arrears – can result in eviction and removal from the Housing Register.
-
- Commercial rent arrears – can result in the loss of business premisesServices provided by the Council – can result in the withdrawal of the service

Priority debts such as mortgage arrears and income tax arrears will be taken into consideration when making an arrangement to pay and other debts will be taken into consideration after priority debts have been considered.

Vulnerable People

The Council recognises that some members of the community may be considered to be more vulnerable and, therefore, may require additional support in dealing with their financial affairs.

Vulnerability does not mean that a person will not be required to pay amounts they are legally obliged to pay. However, where a person is recognised to be vulnerable consideration should be given to;

- Allowing longer to pay,
- Postponing enforcement action,
- Assisting the person to claim benefits, discounts or other entitlements,
- Supporting people to access sources of independent advice,
- Providing information in an accessible format,
- A temporary payment arrangement with lower repayment than would normally be agreed.
- Where appropriate engagement with third parties in order to assist the debtor with their financial affairs
- Returning debt to Chichester District Council

The cause of vulnerability may be temporary or may be permanent in nature and the degree of vulnerability will vary widely. In some circumstances it will be appropriate to liaise with or seek further advice from other agencies that may be involved in working with the customer. The definition of vulnerability can be found in the appendix to this document.

Enforcement Action

Any Enforcement Action will be undertaken in a manner which is consistent with the requirements of the Taking Control of Goods Regulations 2014 or any other applicable legislation relevant to the type or debt or arrears. Commencing recovery action promptly ensures that the debtor is reminded of the requirement to make a payment as early as possible; allowing them the opportunity to bring payments up to date before the debt increases or more severe action to recover payment is commenced.

The Council will contact promptly in writing, within the appropriate legislative timescale, any person or organisation that fails to make a payment to inform that the payment is overdue, the payment options available and the consequences of failing to pay.

If payment or an arrangement for payment is not made enforcement action will be taken.

The scope and delivery of this policy

The scope of this policy applies to a diverse range of statutory and non-statutory charges. The methods for billing and recovery of statutory debts are tightly prescribed and this policy and our practice must take these legislative requirements into account. To meet these needs up to date procedure notes are kept to ensure that they underpin this policy. The procedures in question are;

- Council Tax
- National Non Domestic Rates better known as Business Rates

- Business Improvement District Levy better known as BID levy
- Housing Rents
- Housing Benefit Overpayments
- Other sundry debts owed to the Council, which include but are not limited to invoices for trade refuse collection services, commercial property rents, building control fees, Homefinder rent in advance and deposit bonds and annual licencing fees
- Car Parking Enforcement Debts

A dedicated web-page has been designed and will continue to be developed to ensure that customers have clear and easy access to the information they need when dealing with a bill, invoice or recovery notice. This will include signposting to free sources of independent money and debt advice for those customers who may need further assistance.

Appendix

Vulnerable Customers

Whilst the Council accepts that vulnerability is not in its self a cause of debt, it can mean an inability, temporary or otherwise, for people to manage their liabilities due to lack of funds or the ability to manage their financial affairs.

So the Council will be vigilant for the signs and symptoms of “vulnerability” to safeguard our most vulnerable customers and reassure them.

Customer who may be considered vulnerable may fall into one or more of the following categories:

- The elderly
- People with a disability
- The seriously ill
- People who appear to have mental health issues including dementia
- The recently bereaved
- Single parent families
- Pregnant women
- Unemployed people or those experiencing uncertainty in the short term employment status or benefit receipt
- Those who have obvious difficulty in understanding, speaking or reading English
- Addiction issues (drugs, alcohol, gambling).
- A person who has recently experienced changes in their lifestyle that means they are temporarily unable to deal with their financial affairs (e.g. fleeing domestic violence, leaving prison, leaving care etc). Such cases will be reviewed periodically.

This list is not exhaustive; it has been drawn up to promote fairness and a consistent approach but it is acknowledged that there may be many other causes of vulnerability. Decisions regarding vulnerability should remain unfettered by laid down policy and each case should be considered on its own merits.

When considering how a debt should be repaid by a ‘vulnerable’ customer, individual circumstances will be taken into account and greater flexibility will be considered.

Write off Policy

This write off policy is linked to Corporate Debt Policy

The key objectives from the Corporate Debt Policy should be considered and the following key messages highlighted:

1. The preference is for services to gain upfront payment for any new services that require payment, and not rely on invoices. Payment before service (where appropriate and lawful).

2. Invoices to be paid by our preferred payment method of direct debit when the customer has more than a one off bill (i.e. where monthly charge or instalments are appropriate), or standing order where the direct debit facility is not available.

3. All Customer Accounts (excluding Council Tax, Business Rates, BID invoices and Car parking enforcement notices) to be paid within 10 working days where appropriate, with a first reminder letter after 21 days of non-payment, thereafter the recovery process will devolve based on the service delivered and will involve external debt collection agencies (DCA).

   a. Standard Reminder
      - Reminder 1 – after 21 days
      - Reminder 2 – after a further 14 days
      - Recovery 1 – 7 days warning of referral to DCA
      - Recovery 2 – after 10 days refer to DCA

   b. Trade Waste
      - Reminder 1 – after 21 days
      - Service suspension warning – after a further 10 days
      - Service suspended – after 7 days

   c. Letter before action will be triggered by Revenue Recovery Team when all other avenues have been exhausted.

4. Promotion of cheaper self-service payment methods such as using the internet, automated telephone payments, and direct debit, as the Council has moved away from accepting cash and cheques.

5. Service teams can agree delayed payment or instalment plans up to and including the second reminder stage e.g. for customers on the standard recovery route this will be a maximum of 35 days after the invoice was issued, any later the matter must be referred to the Revenues Recovery Team to agree the approach.

6. Once recovery action is started the Revenues Recovery team is responsible for collecting all debt types (excluding parking fines, see paragraph 7) to ensure consistency, fairness, transparency and efficiency. They are responsible for agreeing any payment arrangements with the customer, subject to any necessary discussions with the relevant service e.g. the Estates Service to avoid any unintended acceptance of a breach of a lease.

7. The recovery and enforcement of parking fines are subject to the Civil Enforcement of Parking legislation and managed by the Car Parking Service. The parking fines are normally due for payment within 28 days of being issued, but the service operate a payment plan policy for individuals where exceptional circumstances apply, which is consistent with the Council's Corporate Debt Recovery Policy.

8. Publish and promote our corporate debt recovery policy and steps we will take to recover debt, so our customers understand the consequence of non-payment.

9. Report regularly to the Corporate Management Team, in order that the authority is aware of the financial risk of non – collection for the authority for its income streams. Aged debt report annotated with accounts referred to the Revenue Recovery Team to be compiled.

Outcomes to be achieved by the Write off Policy are:

- To minimise the level of write off necessary (as part of the corporate debt strategy)
- Minimise the level of resources provided for bad and doubtful debts
- Standardise the write off process across all income and debt areas
- Avoid the use of subjective judgement and criteria when considering cases for write off, by providing clear objective criteria and procedures
- Introduce effective performance management arrangements
- Help focus resources on potentially recoverable debts (by disciplined writing off of irrecoverable debts)
- Deliver a clear message that it expects people to pay the amounts properly due by treating write offs as an exception (not the rule).

<u>Write offs</u>

The Council will make every effort to collect all monies due, in order to maximise the resources it has to provide good quality services to its community. However, it also recognises that there will be occasions when debts become irrecoverable and will need to be considered for write off. In such circumstances prompt and regular write off of such debts is good practice. This will allow for a correct calculation of bad debt provision each year, and avoid wasting resources chasing debt where there is no realistic prospect of recovery.

The Council will seek to minimise the cost of write offs to the local taxpayer by taking all necessary action to recover what is due. All debts will be subject to full collection, recovery and legal procedures as outlined in the Corporate Debt Recovery Policy.

Write off is only appropriate where:-

- The demand or invoice has been raised correctly and is due and owing; and
- There is a justified reason why the debt should not be pursued further.

<u>Justified Reasons</u>

It is not possible to list every scenario which could make a debt suitable for write off; however, the following factors could be appropriate depending on the circumstances. The Revenues Recovery Team is responsible for recommending whether a debt is suitable for write off to the Head of Finance and Governance Services.

The most common circumstances where a debt may be written off have been categorised as follows:-

Reason	Description
Insolvency	Debtor is the subject of bankruptcy, individual voluntary arrangement, liquidation, company voluntary arrangement & administration order or administrative receivership proceedings or has ceased to trade or is subject to a Debt Relief Order.
Unenforceable	Debtor is overseas or the debt is over 6 years old
Abscond	Tracing agents/search engines or other methods have been unable to find the debtor.
Uneconomical to collect	Balance is too small for further action or the costs associated with collecting the outstanding debt is prohibitive.
Uncollectible	Custodial sentences/remitted debts/system rounding/where all due process has been undertaken to recover the debt (as detailed in procedures), but despite using all available / appropriate recovery options, the debt is still deemed uncollectible.
Deceased	Insufficient funds in an estate to settle the debt.
Vulnerable	Where a debtor has no realistic means of paying the debt due to vulnerability, and all due process as detailed in procedures, including third party support, has been followed.

Should a debtor subsequently be traced a debt will be re-instated if considered economically viable to recover and it is within the statute for limitations.

In cases where the debtor is jointly and severally liable for the debt with another party, recovery action will continue against all liable individuals and only if this action fails, will monies be recommended for write off.

Credits

- Customer Accounts: There will be instances where the Council will need to write off a credit that remains on a closed account. Prior to processing any refund to the customer, checks will be made for any other outstanding debts to the council. It may be necessary to obtain the customer's permission to transfer the credit to another outstanding debt, though normally every reasonable effort must be made not to refund the credit whilst other debt is outstanding.

- Council Tax & Business Rates: Are refunded by the Revenues billing team. Credits which cannot be traced or refunded which are over 6 years old are transferred to the General Fund Reserve.

Once all checks have been carried out; not knowing the whereabouts of the creditor (or not having sufficient information to determine how or when a credit is to be refunded) will be an acceptable reason for writing off the credit. A record will be kept should the creditor subsequently be traced and the credit will be repaid, if economic to do so.

Procedure & Authority for Write Off

Under the Council's Constitution the Head of Finance and Governance Services (Section 151 Officer) has delegated authority to approve the write off of outstanding accounts, which are considered to be irrecoverable, subject to members being informed of the total amount of such write offs each year.

The Revenue Recovery Team, after any necessary consultation with the Council's Legal Service, will submit a quarterly schedule to the Head of Finance and Governance to request any debts it considers to be irrecoverable in accordance with the Council's policies for Corporate Debt Recovery and Write Offs.

Services will be notified of debts recommended and approved for write off.

In considering the write off of debts the Revenue Recovery Team will be mindful of statutory limitations relative to the type of debt e.g. commercial and residential property lettings, arrears on general fund housing etc.

Under the Constitution ultimately decisions on what classes of debt should be written off is a matter for the Head of Finance and Governance (or their deputy S.151 Officer).

To achieve an efficient write off process the following delegation is adopted by the Head of Finance and Governance to clarify the precise elements which he authorises as being suitable for write off by other officers, though all write off decisions will continue to be recorded and reported to members as presently.

The process to notify all write offs to members is via an annual report on Modern.gov, which is prepared after the financial year end.

The Head of Finance and Governance Services has agreed a scheme of delegated authority to write off debts in accordance with the schedule below:

1. For debts up to but not exceeding £100 (including aggregated debts for one debtor), the delegated authority rests with the Revenues Manager.
2. For debts greater than £100 but not exceeding £1,000 (including aggregated debts for one debtor), the delegated authority rests with the Revenues and Benefits Manager or Accountancy Services Manager.
3. For debts greater than £1,000 (including aggregated debts for one debtor) the write off request is submitted to the Head of Finance & Governance Services for approval. (This action can also be undertaken by the Accountancy Services Manager as the Deputy Section 151 officer.)

The above procedures will also apply to how credit balances are treated.

Chichester District Council

CORPORATE GOVERNANCE & AUDIT COMMITTEE 29 JUNE 2017

Treasury Management – 2016-17 Outturn Report

1. Contacts

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2. Executive Summary

Treasury management activities for 2016-17 were conducted in accordance with the Council's Treasury Management Strategy and achieved an overall return of 1.25%, the largest contributor to this return being the Council's investment in the Local Authorities Property fund.

Reflecting the Council's Treasury Management Strategy, officers diversified into other forms of investment and/or higher yielding asset classes during the year, including investments in short-term corporate bonds.

Overall reporting during the year was revised to allow the use of the Council's Covalent performance monitoring system to review and report regularly on treasury management activity. Weekly reports on treasury activity were also sent to Members of the Cabinet and the Corporate Governance and Audit Committee.

The Council's Estates Team continued to manage a substantial portfolio of properties that produce rental and licence fee income. For 2016-17 the return on these properties was 8.28%, equivalent to income in excess of £2.5 million per annum.

3. Recommendations

That the Committee:

3.1. Considers the review of Treasury Management activity and performance for 2016-17 and makes any comments to Cabinet.

3.2. Notes the final Prudential Indicators for 2016-2017 to 2021-2022 as detailed in appendix 1 to the report.

4. Background

4.1. The Chartered Institute of Public Finance and Accountancy's Treasury Management Code (CIPFA's TM Code) requires that authorities report on the performance of the treasury management function at least twice yearly (mid-year and at year end). This is the second report received by the Committee in respect of 2016-17, the first was considered on 26 November 2016, covering the first six months of the year.

4.2. The authority's Treasury Management Strategy for 2016/17 was approved by full Council in January 2016. This strategy aimed to diversify the Council's investments into more secure and/ or higher yielding asset classes during 2016-17, including the Local Authority property fund, covered and corporate bonds. Following the change in the Council's banker, it was subject to a minor update in July 2016.

5. Outcomes to be achieved

5.1. This report demonstrates treasury management activities conducted during 2016-17 were in accordance with the Council's Treasury Management Strategy and achieved an appropriate return given the Council's expressed risk appetite.

5.2. This report also summarises:

- Capital activity and how it was financed
- The Council's prudential indicators as at 31 March 2017.

6. Treasury Management

6.1. The Council continues to manage significant resources as part of its treasury management function as shown in Exhibit 1, below.

Exhibit 1: Movement in treasury funds

Investments £000	Balance 01/04/2016	Movement	Balance 30/09/2016	Movement	Balance 31/03/17
Short term Investments (cash, call accounts, deposits)	29,465	(5,080)	24,385	(80)	24,305
Money Market Funds	4,420	6,080	10,500	500	11,000
Corporate Bonds	0	4,879	4,879	(2,859)	2,020
Total liquid investments	**33,885**	**5,879**	⇧ **39,764**	**(2,439)**	⇩ **37,325**
Long term Investments	10,000	-	10,000	(5,000)	5,000
Pooled funds – Local Authority Property fund	5,000	5000	10,000	-	10,000
TOTAL INVESTMENTS	**48,885**	**10,879**	⇧ **59,764**	**(7,439)**	⇩ **52,325**

6.2. Reflecting the Council's Treasury Management Strategy, officers diversified into other forms of investment and/or higher yielding asset classes during the year, in particular:

- short-term corporate bonds were purchased where returns have exceeded available money market rates and where they met our counterparty lending criteria
- a second investment of £5m was made in the local authority property fund in September 2016.

6.3. The overall strategy of diversification within the limits of the Council's risk statement has continued into the first quarter of 2017-18. The excess liquidity held at 31 March 2017 has subsequently been invested in the following external pooled investment funds during the first quarter of 2017-18;

- Invested Diversified Income Fund £3m
- Columbia Threadneedle Strategic Bond Fund £2m
- M&G Optimal Income Fund £1m

6.4. A further report on 2017-18 investment performance and activity will be made to the November meeting of this committee.

7. Externally Managed Funds

6.5. Following the Council's purchase of 1.6m units in the Local Authority' Property Fund (LAPF) in February 2016, a further 1,659,035 units were purchased on 29 September 2016, bringing the Council's total investment in this fund to £10m.

8. Borrowing

6.6. The Authority did not undertake and borrowing in 2016/17.

9. **Investment Activity Benchmarking**

6.7. The data below is presented in terms of the key objectives of public sector treasury management, Security, Liquidity and Yield for the previous four quarters. This format of reporting was adopted during 2016-17 to integrate Treasury management performance reporting into the Covalent corporate reporting system.

Security

	CDC Actuals					
Measure	Qtr 1 16-17	Qtr 2 16-17	Qtr 3 16-17	Qtr 4 16-17	Non-met District Q4 average	Rating
Average Credit Score (time-weighted)	2.85	3.56	3.44	3.40	4.01	GREEN
Average Credit Rating (time weighted)	AA	AA-	AA	AA	AA-	GREEN
Proportion Exposed to Bail-in (%)	19	41	40	48	58	GREEN

6.8. The Council's unsecured investments have been maintained above the target credit rating of "A" set out in Table 7 of its updated Treasury Management Strategy. The risk of bail-in was managed by holding a relatively small proportion of investments with Banks and Building societies. The increase in holdings from the second quarter of 2016-17 was attributable to increased investments with Lloyds and Bank of Scotland (both with a minimum credit rating of 'A') to secure above market rate returns.

Liquidity

Measure	CDC Actuals Qtr 1 16-17	Qtr 2 16-17	Qtr 3 16-17	Qtr 4	Non-met districts Q4 average	Rating
Proportion available within 7 days (%)	7	18	21	24	31	GREEN
Proportion available within 100 days (%)	49	44	52	47	57	GREEN
Average days to maturity	246	213	176	174	137	AMBER

6.9. The Council maintained a voluntary liquidity measure to maintain a minimum of £10m available within 3 months and this was complied with throughout the period in question.

6.10. The relatively low proportion of funds available within 7 days reflected the Council's active management of its investments to limit its exposure to bank bail-in, the majority of short term deposits being for periods of 1 to 6 months with Local Authorities or Bonds issued by large corporates. The Increase at year end reflected additional liquidity retained in advance of investments in external pooled funds.

6.11. The relatively high average days to maturity figure reflects the ability of the Council to enter into longer term investments which generate additional returns for the Council's general fund.

Return

Measure	CDC Actuals Qtr 1 16-17	Qtr2 16-17	Qtr 3 16-17	Qtr4 16-17	Non-met districts Q4 average	Rating
Internal investment return %	0.82	0.82	0.73	0.68	0.62	GREEN
External funds – income return %	4.55	4.42	4.31	4.50	3.66	GREEN
External funds – capital gains/losses %	(10.13)	(9.16)	(8.00)	(3.77)	0.29	AMBER

Total treasury Investments – income return %	1.16	1.38	1.29	1.37	1.31	GREEN
Property – income return (investment Purchases only) %[1]	8.28 (full year)					GREEN

[1] Note: This relates to properties managed directly by the Council's Estates Service.

6.12. The quarterly return figures shown above equate to an overall average income return of 1.25% for 2016-17 as a whole.

6.13. The overall internal investment return on treasury investments continued to slightly exceed the target return for the year (0.75%), until the effects of last summer's base rate cut worked its way through into returns from September onwards.

6.14. As reported during the year, the capital loss on external funds is mainly due to the purchase of additional units in the Local Authority property fund on 29 September, representing the difference between the acquisition and sale price of fund units. This loss will only be charged to the Council's General Fund if the asset becomes impaired, is sold or is derecognised.

6.15. The return for 2016-17 on our investment in the Local Authority Property Fund is shown below

	Dividend £	Dividend % (p.a)
April - June 2016	55,587	4.4
July - September 2016	52,884	4.2
October – December 2017	105,239	4.2
January 2017 – March 2017	105,216	4.2
Total for 6 months to September	318,926	4.25

10. Treasury management activity

6.16. Alongside the investment on the Local Authority Property Fund, the Council has also made a number of investments in corporate bonds issued by large corporates. These have been reported to Members of the Corporate Governance and Audit Committee via a weekly summary of investment activity undertaken.

6.17. One investment during the period was made for a period that exceeded the maximum allowable period by 1 day. This was approved by the Head of Finance and Governance as no other suitable investment opportunities existed and the Council's money market funds was at the maximum available balance.

6.18. The Council's change of banker on 1 April 2016 created some issues which Treasury staff have now resolved. The reportable events occurred during the year were:

- 11 April to 17 May 2016 the Council's Nat-West current account was overdrawn on six occasions between £150k and £612k. These instances arose as the Council's new arrangements to automatically move money between its current and investment accounts at the Nat-West did not operate as initially expected.

- A number of investments were repaid to the Council's old HSBC account during the year, despite all counterparties being advised of the change to the Council's banker prior to 1 April 2016. This resulted in the following short term overdrafts whilst the funds were redirected to the Council's new bank account:

Date	Overnight balance
23 May 2016	(£1.7m)
08 Dec 2016	(£0.9m)
19 Dec 2016	(£2.5m)
27 Mar 2017	(£2.8m)

For each instance, officers took action to recover any direct costs (interest or charges) that resulted from these counterparty's errors.

- 2 September 2016: Balance 'sweeping' arrangements between the Council's accounts did not operate, leading to the Council's creditors account being overdrawn by £6.3m overnight. National Westminster acknowledged this was due to a failure of their systems and refunded any costs incurred.

6.19. All these events were reported to the Corporate Governance and Audit Committee during 2016-17.

7. Other Treasury Management Indicators

7.1. The Authority also measures and manages its exposures to treasury management risks using the following indicators.

7.2. **Interest Rate Exposure**: This indicator is set to control the authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the amount and proportion of net principal invested during the year were:

	2016/17	2017/18	2018/19
Upper limit on fixed interest rate exposure	£28m/40%	£24m/40%	£22m/40%
Actual (30 September 2016)	£10m/17%		
Upper limit on variable interest rate exposure	£70m/100%	£60m/100%	£55m/100%
Actual	£57.42m/82%		

7.3. Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. Instruments that mature during the financial year are classed as variable rate.

7.4. **Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The actual principal sum invested to final maturities beyond 31 march 2017 was:

	2016/17	2017/18	2018/19
Limit on principal invested beyond year end	£35m	£30m	£25m
Actual @ 31 March 2017	£15m	£15m	£13m

7.5. **Liquidity:** The authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

	Target	Actual
Total cash available within three months (30 September 2016)	£10m	Met – minimum maintained throughout year

8. Investment Briefings

8.1. Briefings to help Members exercise proper oversight of treasury management activities are offered each year to all members. The last event took place on 13 January 2017.

9. Estates portfolio

9.1. The Estates Team continues to manage a substantial portfolio of properties producing rental and licence fee income. This includes industrial premises, industrial ground leases, retail and commercial premises, offices, sports and community facilities and various licence agreements.

9.2. In 2014-15 and 2015-16 the Council acquired three properties principally as investment purchases and has just completed the purchase of another property, comprising prime retail premises in the centre of Chichester. The investment purchases are all within the Chichester District and the acquisitions have an associated community/economic development benefit by supporting the provision of business accommodation. Overall these properties produce an income in excess of £2.5 million per annum.

9.3. The Council is undertaking property development with the combined benefits of providing business accommodation and producing revenue income for the Council. Construction work commenced towards the end of the 2016-17 financial year on the Enterprise Centre in Terminus Road Chichester. This is a £6 million development which will provide 35,000 sq. ft. of serviced and managed offices, workshops and shared workspace for local businesses. Development proposals have also been taken forward for a scheme of 6 industrial units at plot 21 Terminus Road which will comprise a total of 16,360 sq. ft. This scheme is now ready to proceed subject to Cabinet approval.

10. Capital Expenditure and Financing 2016-2017

10.1. Under the Prudential Code, the Council is required to take into account the following:

- Affordability;
- Prudence and sustainability;
- Professional good practice;
- Transparency; and
- The Council's treasury management framework.

10.2. Capital expenditure in 2016-17 and financing is shown in appendix 1. Total expenditure, including the asset replacement programme, was £6.3m, some £1.6M less than the revised estimate of £7.9m due largely to the following variations and capital budget underspends which will slip into FY2017/18.

Variation £m	Project
0.297	Vehicle replacements
0.125	New telephone system
0.400	Refurbishment of ADC car park
0.135	Beach management works
0.135	Affordable Housing Grant

10.3. £1.06m of total project spend was considered to be revenue in nature and was therefore funded from a combination of revenue reserves and revenue grants and contributions.

10.4. The balance of £5.24m was funded by capital receipts, the capital projects fund and capital grants and contributions thereby negating the need to borrow funds from external bodies.

10.5. The credit agreement in respect of the Council's multi-function devices leased in 2014-15 continues to require a small Minimum Revenue Provision (MRP) charge (£31,000) to be made against the Council's General Fund.

11. Resource and legal implications

11.1. Any investment interest received in the year is currently not used to help balance the revenue budget, but used to fund one off costs or towards funding capital projects. Any underperformance may therefore have an impact on the Council's overall funding position, but this is kept under review and reported to members as part of the budget process. Currently the approved capital programme remains fully funded.

11.2. The Council has complied with all the relevant statutory and regulatory requirements that limit the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management, means that, its capital expenditure is prudent, affordable and sustainable, and demonstrates a low risk approach.

12. Other Implications

Crime & Disorder	None
Climate Change	None

Human Rights and Equality Impact	None
Safeguarding and Early Help	None

13. Appendices

13.1. Appendix 1 – Prudential indicators
13.2. Appendix 2 – Economic and credit commentary prepared by Arlingclose
13.3. Appendix 3 - Benchmarking definitions

Appendix 1: CAPITAL EXPENDITURE OUT TURN AND PRUDENTIAL INDICATORS 2016-17

Actual Spend compared to Original and Revised Estimate

2016-17				
Original Estimate £000's	Revised Estimate £000's	Out-turn £000's	Out-turn Variance to Original £000's	Out-turn Variance to Revised £000's
9,239	**7,885**	**6,320**	**(2,919)**	**(1,565)**

The overall spend on projects was £6.32m, of which £5.26m met the definition of capital expenditure as determined by the Local Government Act 2003. The balance of £1.06m of project spend was deemed to be more of a revenue nature, and charged to the income and expenditure account and funded from the revenue reserves or income. Due to the tighter definition of capital expenditure the current "capital" programme contains a number of schemes that are strictly revenue.

The sources of funding for the capital expenditure incurred in 2016-17 were:

	£m
Capital Receipts	1.30
Capital Projects Fund	1.30
Asset Replacement Fund	1.59
Capital Grants and Contributions	0.63
General Fund	0.45
Minimum revenue provision	0.03
TOTAL FUNDING	**5.30**

Prudential Indicators 2016-17

The Local Government Act 2003 requires the Authority to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice.

To demonstrate that the authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year. The future period estimates reported here are the most recent estimates produced and approved as part of the 2017-18 budget process.

Adoption of the CIPFA Treasury Management Code: The Authority adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2011 Edition in February 2012.

Estimates of Capital Financing Requirement:
The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose.

Capital Financing Requirement	31.03.17 Actual £m	31.03.18 Estimate £m	31.03.19 Estimate £m	31.03.20 Estimate £m	31.03.21 Estimate £m	31.03.22 Estimate £m
CFR	**(1.37)**	**(1.41)**	**(1.44)**	**(1.47)**	**(1.48)**	**(1.48)**

The CFR is forecast to remain negative over the next three years as the Council expects to remain debt-free over this period.

In principle the CFR should equal zero, as the Council has fully funded its capital investment programme since becoming debt free following its Large Scale Voluntary Transfer (LSVT) of its housing stock in 2001, however a negative balance post LSVT is relatively common. To bring the CFR back to a more meaningful figure i.e. zero, there is the option to leave part of capital expenditure unfinanced or effectively financed from internal borrowing which will increase the CFR to zero.

Gross Debt and the Capital Financing Requirement: In order to ensure that over the medium term debt will only be for a capital purpose, the authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt	31.03.17 Actual £m	31.03.18 Estimate £m	31.03.19 Estimate £m	31.03.20 Estimate £m	31.03.21 Estimate £m	31.03.22 Estimate £m
Borrowing (Operational Boundary only)	0	**0**	0	0	0	0
Finance leases	0.1	0.1	0.1	0.05	0	0
Total Debt	**0.1**	**0.1**	**0.1**	**0.05**	**0**	**0**

The actual debt levels are monitored against the Operational Boundary and Authorised Limit for External Debt, below.

Operational Boundary for External Debt: The operational boundary is based on the Authority's estimate of most likely, i.e. prudent, but not worst case scenario for external debt.

Operational Boundary	2016/17 Approved £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Borrowing	5	**5**	5	5	5	5
Other long-term liabilities	0	**0**	0	0	0	0
Total Debt - authorised	**5**	**5**	**5**	**5**	**5**	**5**
Actual Debt	**0**	**0**	**0**	**0**	**0**	**0**

Authorised Limit for External Debt: The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit	2016/17 Approved £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Borrowing	10	**10**	10	10	10	10
Other long-term liabilities	0	**0**	0	0	0	0
Total Debt	**10**	**10**	**10**	**10**	**10**	**10**
Actual Debt	**0**	**0**	**0**	**0**	**0**	**0**

No borrowing was undertaken other than the short-term use of the Council's overdraft facility for short term liquidity and an ongoing credit arrangement of £123k for multi-function devices acquired in 2014-15. The authorised limit or operational boundaries were not exceeded at any point during 2016-17.

Ratio of Financing Costs to Net Revenue Stream: This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2016/17 Actual %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %	2020/21 Estimate %	2021/22 Estimate %
General Fund	(6.57)	(5.75)	(1.00)	(1.60)	(1.65)	(1.59)

The estimates of financing costs reflect the Budget Spending Plans for 2017-18 to be reported to Cabinet on 7 February 2017 and considered by Council on 7 March 2017. These indicators have been updated to reflect the current phasing of the capital programme and the effect on the cash flow forecasts for investments, but do not reflect the potential for additional income from the investment made in May 2017 in pooled investment funds. The estimates for 2018-19 onwards will be updated as part of the 2018-19 budget process.

The fact that the percentages remain negative shows that the investment interest remains an income source to the Council. To date investment interest has been used to fund one off projects/capital spending rather than balance the revenue budget. With effect from 2017-18 the investment return earned on the council's property investments (projected at circa £400,000 per annum) will be applied as part of the deficit reduction plan considered by Cabinet in December 2016 and recommended for approval by full Council.

Incremental Impact of Capital Investment Decisions:
This is an indicator of affordability that shows the theoretical impact of capital investment decisions on Council Tax levels.

Incremental Impact of Capital Investment Decisions	2016/17 Actual £	2017/18 Estimate £	2018/19 Estimate £	2019/20 Estimate £	2020/21 Estimate £	2021/22 Estimate £
General Fund - increase in annual band D Council Tax	3.44	(2.88)	5.85	1.86	(3.63)	N/A

The 2016-17 figure is the net effect on revenue resources of the actual difference between budget and out-turn for 2016-17. The figures for 2017-18 onwards are calculated as the net effect on expected future revenue budgets of the decisions taken in 2016-17 in respect of capital financing and investment.

The main variable affecting future year forecasts is the extent to which the capital programme will be financed from capital receipts and grant contributions rather than from general fund resources.

Interest Rate Exposures - see main report section 10.7

Total Principal Sums Invested for Periods Longer than 364 days – see main report section 10.9

Appendix 2: Economic and credit commentary prepared by Arlingclose

Date of analysis: 21 April 2017

Economic background

Politically, 2016/17 was an extraordinary twelve month period which defied expectations when the UK voted to leave the European Union and Donald Trump was elected the 45th President of the USA. Uncertainty over the outcome of the US presidential election, the UK's future relationship with the EU and the slowdown witnessed in the Chinese economy in early 2016 all resulted in significant market volatility during the year. Article 50 of the Lisbon Treaty, which sets in motion the 2-year exit period from the EU, was triggered on 29th March 2017.

UK inflation had been subdued in the first half of 2016 as a consequence of weak global price pressures, past movements in sterling and restrained domestic price growth. However the sharp fall in the Sterling exchange rate following the referendum had an impact on import prices which, together with rising energy prices, resulted in CPI rising from 0.3% year/year in April 2016 to 2.3% year/year in March 2017.

In addition to the political fallout, the referendum's outcome also prompted a decline in household, business and investor sentiment. The repercussions on economic growth were judged by the Bank of England to be sufficiently severe to prompt its Monetary Policy Committee (MPC) to cut the Bank Rate to 0.25% in August and embark on further gilt and corporate bond purchases as well as provide cheap funding for banks via the Term Funding Scheme to maintain the supply of credit to the economy.

Despite growth forecasts being downgraded, economic activity was fairly buoyant and GDP grew 0.6%, 0.5% and 0.7% in the second, third and fourth calendar quarters of 2016. The labour market also proved resilient, with the ILO unemployment rate dropping to 4.7% in February, its lowest level in 11 years.

Following a strengthening labour market, in moves that were largely anticipated, the US Federal Reserve increased rates at its meetings in December 2016 and March 2017, taking the target range for official interest rates to between 0.75% and 1.00%.

Financial markets

Following the referendum result, gilt yields fell sharply across the maturity spectrum on the view that Bank Rate would remain extremely low for the foreseeable future. After September there was a reversal in longer-dated gilt yields which moved higher, largely due to the MPC revising its earlier forecast that Bank Rate would be dropping to near 0% by the end of 2016. The yield on the 10-year gilt rose from 0.75% at the end of September to 1.24% at the end of December, almost back at pre-referendum levels of 1.37% on 23rd June. 20- and 50-year gilt yields also rose in Q3 2017 to 1.76% and 1.70% respectively, however in Q4 yields remained flat at around 1.62% and 1.58% respectively.

After recovering from an initial sharp drop in Q2, equity markets rallied, although displaying some volatility at the beginning of November following the US presidential election result. The FTSE-100 and FTSE All Share indices closed at 7342 and 3996 respectively on 31st March, both up 18% over the year. Commercial property values fell around 5% after the referendum, but had mostly recovered by the end of March.

Money market rates for overnight and one week periods remained low since Bank Rate was cut in August. 1- and 3-month LIBID rates averaged 0.36% and 0.47% respectively during 2016-17. Rates for 6- and 12-months increased between August and November, only to gradually fall back to August levels in March, they averaged 0.6% and 0.79% respectively during 2016-17.

Credit background

Various indicators of credit risk reacted negatively to the result of the referendum on the UK's membership of the European Union. UK bank credit default swaps saw a modest rise but bank share prices fell sharply, on average by 20%, with UK-focused banks experiencing the largest falls. Non-UK bank share prices were not immune, although the fall in their share prices was less pronounced.

Fitch and Standard & Poor's downgraded the UK's sovereign rating to AA. Fitch, S&P and Moody's have a negative outlook on the UK. Moody's has a negative outlook on those banks and building societies that it perceives to be exposed to a more challenging operating environment arising from the 'leave' outcome.

None of the banks on the Authority's lending list failed the stress tests conducted by the European Banking Authority in July and by the Bank of England in November, the latter being designed with more challenging stress scenarios, although Royal Bank of Scotland was one of the weaker banks in both tests. The tests were based on banks' financials as at 31st December 2015, 11 months out of date for most. As part of its creditworthiness research and advice, the Authority's treasury advisor Arlingclose regularly undertakes analysis of relevant ratios - "total loss absorbing capacity" (TLAC) or "minimum requirement for eligible liabilities" (MREL) - to determine whether there would be a bail-in of senior investors, such as local authority unsecured investments, in a stressed scenario.

On the advice of Arlingclose, new investments with Deutsche Bank and Standard Chartered Bank were suspended in March 2016 due to the banks' relatively higher credit default swap (CDS) levels and disappointing 2015 financial results. Standard Chartered was reintroduced to the counterparty list in March 2017 following its strengthening financial position, but Deutsche Bank was removed altogether from the list.

In July, following a review of unrated building societies' annual financial statements, Cumberland, Harpenden and Vernon building societies were removed from the Authority's list due to a deterioration in credit indicators. The maximum advised maturity was also lowered for eleven other societies from 6 months to 100 days due to the uncertainty facing the UK housing market following the EU referendum.

Appendix 3 – Benchmarking definitions

The benchmarking compares various measures of risk and return, which are calculated as follows:

Investment Value
For internal investments, the value is the sum initially invested. For external funds, the value is the fund's bid price on the quarter end date multiplied by the number of units held.

Rate of Return
For internal investments, the return is the effective interest rate, which is also the yield to maturity for bonds. For external funds (LAPF) this is measured on an offer-bid basis less transaction fees. For external funds the income only return excludes capital gains and losses.

Average returns are calculated by weighting the return of each investment by its value. All interest rates are quoted per annum.

Duration
This measure applies to internal investments only. This is the number of days to final maturity. For instant access money market funds, the number of days to final maturity is one.

Average duration is calculated by weighting the duration of each investment by its value. Higher numbers indicate higher risk.

Credit Risk
Each investment is assigned a credit score, based where possible on its average long-term credit rating from Fitch, Moody's and Standard & Poor's. This is converted to a number, so that AAA=1, AA+=2, etc. Higher numbers therefore indicate higher risk. Unrated local authorities are assigned a score equal to the average score of all rated local authorities.

Average credit risk is measured in two ways. The value-weighted average is calculated by weighting the credit score of each investment by its value. The time-weighted average is calculated by weighting the credit score of each investment by both its value and it's time to final maturity. Higher numbers indicate higher risk.

Agenda Item 10

Chichester District Council

CORPORATE GOVERNANCE & AUDIT COMMITTEE 29 June 2017

S.106 and CIL Annual Monitoring Report

1. Contacts

Report Author:
Simon Davies, Planning Obligations Monitoring & Implementation Officer
Tel: 01243 534781 Email: sdavies@chichester.gov.uk

2. Executive Summary

1. Total contributions secured by new S106 agreements signed between 1 April 2016 and 31 March 2017 was £1,827,574.21

2. The value of contributions received from S106 Agreements between 1 April 2016 and 31 March 2017 was £1,764,032.40

3. The total expenditure on projects funded from S106 Contributions between 1 April 2016 and 31 March 2017 was £531,299

4. The total amount collected from CIL between 1 April 2016 and 31 March 2017 was £775,847.85

5. The total expenditure on projects funded from CIL between 1 April 2016 and 31 March 2017 was £18,368.90

3. Recommendations:

That the Committee notes:

3.1 The income and expenditure between 1st April 2016 and 31st March 2017 in respect of S106 contributions and from the CIL;

3.2 The information on S106 agreements within 2 years of the expenditure target date as set out in Appendix 4; and

3.3 The details of non-financial S106 obligations as set out in Appendix 5.

3.4 The monitoring information required by the CIL Regulations as set out in Appendix 6.

4. Background

4.1 The updated Section106 and CIL Protocol, approved by Corporate Governance and Audit Committee (CGAC) on 19 January 2016 sets out the reporting arrangements. In accordance with this protocol, CGAC receives an Annual Report in June each year setting out new agreements signed, income received and monies spent for the previous financial year, including an update on non-financial obligations and information on those S106 agreements due to expire within two years. Members are reminded that some non-financial obligations are operational and do not have expiry or trigger dates.

5. Outcomes to be achieved

5.1. Effective monitoring of Section 106 Agreements and the CIL.

6. S106 Progress & Developers' Infrastructure Contributions

6.1 New Section 106 Agreements completed 2016/17

Appendix 1 lists all new S106 Agreements completed between 1 April 2016 and 31 March 2017 showing financial contributions secured where appropriate. These total £1,827,574.21 from 77 new agreements completed comprising:-

- 59 Unilateral Undertakings, mainly comprising Chichester Harbour and Pagham Harbour recreational disturbance mitigation contributions from smaller developments
- 18 bilateral S106 Agreements
- 73 contained financial contributions to CDC
- 4 contained only non-financial obligations to CDC
- 4 Contained only financial contributions to WSCC

6. 2 Contributions due to be paid to CDC (including those from 2016/17 agreements detailed above)

There are a number of outstanding S106 contributions where the trigger point for collection of monies has not yet been reached and from developments that have not yet started. The exact amount of money expected is not known until the relevant trigger date is received because indexation can increase the sum due. A developer can also seek to renegotiate the terms of an Agreement after 5 years have passed from completion. Such applications are reported to the Planning Committee. Table 1 shows the contributions expected by CDC, and those unspent, broken down by type.

Table 1: Expected Contributions by Type

As of 4th May 2017		
Contribution Type	**To be received**	**Received and Unspent**
Affordable Housing	£2,113,836	£1.919,444
CCTV	£0	£1,313
Chichester Harbour	£58,779	£144,859
Community Facilities	£2,598,079	£1,700,998
Interest	£0	£166,762
Leisure	£1,038,143	£927,718
Pagham Harbour	£244,539	£170,262
Public Open Space	£693,152	£382,991
Park and Ride	£0	£88,899
Primary Care Trust	£155,546	£0
Public Art	£198,177	£201,866
Recreation Disturbance	£193135	£0
Sussex Police	£64,794	£0
Sustainable Transport	£0	£42,152
Highways	£223,970	£100,000
Waste and Recycling	£11,495	£4,300

6.3. **Contributions received during 2016/17 Financial Year**

Appendix 2 sets out contributions received by Chichester District Council between 1 April 2016 and 31 March 2017 amounting to £1,764,032.40

6.4 **Agreements completed between 2010 and 2017**

Year	Number of new agreements signed including West Sussex CC	No of new agreements with financial contributions to CDC	Total contributions expected by CDC from new agreements
2016 - 2017	77	73	£1,827,574
2015 - 2016	74	68	£2,474,229
2014 - 2015	88	87	£1,696,022
2013 - 2014	35	26	£3,387,627
2012 - 2013	15	8	£461,876
2011 - 2012	9	4	£678,734
2010 - 2011	16	7	£1,496,345

6.5 **S106 Payments received by each spending department**

Details of receipts and expenditure are shown in Appendix 3 including data from WSCC and SDNPA.

6.6 **S106 Monitoring Contributions**

Para. 204 of the National Planning Policy Framework advises Local Authorities to monitor all legal agreements. From 2008 until the High Court ruling referred to below, the Council charged a 5% monitoring fee for recording and monitoring of S.106 Agreements. This is deducted from the commuted sums as they are paid. During the financial year 2016/17 the Council collected £58,999 in monitoring fees from these agreements.

Following a legal challenge in the High Court on 3rd February 2015, it was ruled that administration and monitoring fees were not necessary to make development acceptable in planning terms. As a result the Council ceased collecting these fees in agreements signed after the ruling.

At a meeting of Cabinet on 6th December 2016 it was resolved that the Council reintroduce monitoring fees by virtue of its powers under S111 of the Local Government Act 1972 and S1 of the Localism Act 2011. The fees are calculated to cover the costs of the Planning Obligations Monitoring and Implementation Officer post and reflect the size and complexity of each S106 agreement. The fee is payable at the time the agreement is signed. Implemented part way through the financial year 2016/17 the council collected £1,538 in monitoring fees from 2 new agreements.

6.7 **SDNPA**

The Section 106 protocol operated by the SDNPA and CDC applies to S106 Agreements associated with schemes within the South Downs National Park signed on or after 1 April 2011. Currently 11 agreements are being monitored by CDC on behalf of the SDNPA as set out in Appendix 3. CDC expects to be informed when funding has been received.

6.8 **S106 agreements nearing their expenditure target date**

Appendix 4 sets out the contributions which are reaching their expenditure target date within the next two years, together with those that have reached their spending deadline. Officers have been experiencing difficulty with a number of Parish Councils which have not either identified projects for spending or are taking an excessive amount of time to provide quotes. Spending officers will liaise with the Ward Members where there is concern about expiry of spending sums.

Further to the November 2016 CGAC report, funds of £13,330 plus interest will potentially need to be returned to the developer in relation to WH/04/01070/FUL Land West of Devils Rush (former Apollo Garage site). As previously reported, a sum of £20,000 was secured, at the request of West Sussex County Council, for the provision and maintenance of a bus shelter within the vicinity of the site in the Parish of Westhampnett. A bus shelter was installed at a cost of £6,670. Prior to the spending deadline in March 2017 a survey was commissioned by the Spending Officer to ascertain if any maintenance was required and confirmation was received that none was necessary. A letter has been sent to the developer asking for permission to retain the monies for future maintenance or instructions for the return of the funds.

7. Community Infrastructure Levy (CIL)

7.1 The information to be published within the Authority's Monitoring Report (AMR) in December 2017 in respect of the CIL is shown at Appendix 6.

7.2 **How CIL works with planning obligations**

Since the CIL has been implemented, S.106 (Planning Obligations) have been scaled back. Infrastructure associated with the cumulative growth of the area is now being secured by CIL. However, S.106 planning obligations will continue in relation to affordable housing and certain site specific requirements to mitigate the impact of new development. The Planning Obligations and Affordable Housing Supplementary Planning Document (SPD) shows how CIL, S106 planning obligations, planning conditions, and Highways S278 agreements work together as a set of tools to help deliver necessary infrastructure as a result of development.

8. Community impact and corporate risks

8.1 The risks that development will not provide the infrastructure required to make it acceptable in planning terms is reduced.

8.2 The risk of returning unused contributions is reduced.

9. Other Implications

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

10. Appendices

10.1 Appendix 1 – Details of new S106 Agreements signed between 1 April 2016 and 31 March 2017

10.2 Appendix 2 – Details of income received between 1 April 2016 and 31 March 2017

10.3 Appendix 3 - Receipts and Expenditure by Service (including WSCC and SDNP)

10.4 Appendix 4 – Unspent contributions approaching or beyond target expenditure date.

10.5 Appendix 5 – Current S106 Agreements by Ward showing Non-Financial Obligations

10.6 Appendix 6 – Community Infrastructure Levy (CIL) Annual Monitoring Report 2016/17.

Chichester District Council

CORPORATE GOVERNANCE AND AUDIT COMMITTEE 29 JUNE 2017

Corporate Health & Safety and Business Continuity Management

1. Contacts

Report Author:
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Tel: 01243 534605 E-mail: wtownsend@chichester.gov.uk

2. Recommendation

2.1 **That the Committee considers and notes the Council's arrangements in place for monitoring and controlling the risks associated with health and safety and business continuity matters.**

3. Background

3.1. This report provides an update on the current position of Business Continuity (BC) management arrangements within the council.

3.2. This report also covers a brief overview of the Council's performance in relation to the health, safety and welfare of its staff and anybody else affected by its undertaking.

4. Outcomes to be achieved

4.1. To ensure that the Council has a robust business continuity management system that is simple to use in the event of a business interruption.

4.2. To ensure that the Council is assessing its performance for Health and Safety adequately and concentrating its H&S resources in the correct areas to make improvements.

5. Progress Report for Business Continuity (BC) Management

5.1 The Corporate H&S Manager was assisted by a business continuity specialist from Zurich Municipal to review the Business Impact Assessment (BIA) for the council; it hadn't been reviewed for a few years and there had been management structure changes since then. The refreshed BIA was presented to the Corporate Management Team (CMT) and was given their approval.

5.2 Heads of Service (HoS) have recently undertaken a review of their BC plans to ensure they meet with the requirements of the refreshed BIA and generally to check they are robust. The reviews were completed by the 31st March 2017.

5.3 The next step is for the Corporate H&S team to audit the reviewed BC plans and challenge heads of service on the mitigation measures identified in the plans.

5.4 First 3-day and over 3-day BC plans and critical staff list are currently stored on the Council's X drive and also on Resilience Direct (Government website for emergency planning - hosted off site).

5.5 The Corp. H&S team facilitated a BC workshop/exercise at CCS on 22nd May to test their current BC plans and to challenge the mitigation measures. Several actions came from this exercise in relation to agreeing arrangements identified as control measures. For example, mutual aid agreements with neighbouring authorities that we may ask to provide assistance with waste collection, use of vehicle workshops in the event of a business interruption.

6. Health and Safety Management

6.1 Total accidents for each year

Year	No of incidents
2014 – 2015	109
2015 - 2016	74
2016 – 2017	101

The total number of accidents/incidents/near misses in the year 2016-17 have increased by almost 36% compared to the previous year. However, this isn't a cause for concern as there are valuable reasons for this increase – all of which are outlined in the following breakdown of accidents within this report.

Service areas are required to record and submit, to the Corporate H&S team, all accidents and incidents, including very minor accidents and near misses. These are all included in the accident statistics in this report. It is important for all accidents, incidents and near misses to be recorded and reported to the Corporate H&S team to enable trends to be identified. This can prevent significant accidents or incidents occurring in the future.

Generally within organisations it is recognised that there is under-reporting of accidents and incidents. We have continued to work with service teams to discuss the importance of reporting and this has definitely proved effective as we have started to receive reports from areas that have previously been weak on reporting.

6.2 Total number of RIDDOR incidents for each year

Year	Total RIDDOR	>7 days absent	Public to hospital	Major	Dangerous Occurrence
2014 - 2015	4	3	1	0	0
2015 - 2016	5	4	0	1	0
2016 - 2017	1	1	0	0	0

RIDDOR accidents have decreased by 80% in the 2016-17 period compared to the previous year. Therefore, whilst the overall number of accident/incident reports has increased, these have been more minor in severity.

RIDDOR (Reporting of Injuries Diseases and Dangerous Occurrences Regulations) are certain categories of accidents that are reportable to the enforcing Authority - HSE (Health and Safety Executive). These include:

- deaths at work
- major injuries (broken bones etc.)
- over 7-day injuries (injuries that result in the person being unable to return to work within a 7-day period); and
- members of the public being taken from the scene to hospital due to an accident that was potentially caused by poor safety management or a physical defect with a building or equipment.

6.3 Accidents by Type

Accident Type	2014 - 2015	2015 - 2016	2016 - 2017
Exposed to, or in contact with, a harmful substance	1	0	3
Fell from a height	4	4	2
Hit by a moving, flying or falling object	10	10	6
Hit by a moving vehicle	1	2	0
Hit something fixed or stationary	14	7	14
Injured by an animal	3	1	16
Injured while handling, lifting or carrying	17	13	14
Near Miss	21	14	18
Not in connection with work activity	12	5	4
Other kind of accident	2	1	3
Pre-existing medical condition	4	1	2
Slipped, tripped or fell on the same level	12	10	18
Contact with electrical discharge	1	0	1
Contact with sharps*	6	6	0
Contact with moving machinery or material being machined	1	0	1

The number of 'Near miss' incidents increased in the 2016-17 period which is excellent as the team has continued to encourage service areas to report near misses. A few years ago we received no near miss reports. Near misses allow us to check for trends and to identify areas for audit and inspection or minor intervention to prevent it from happening again and causing an actual accident.

The number of accident/incidents in the category of 'Injured by an animal' increased significantly. This was due to the category being used to capture wasp stings to Chichester Contract Services (CCS) staff in the summer/autumn of 2016. 12 of the 16 cases were wasp stings.

Slips, trips and falls remain one of the highest causes of accidents in workplaces in the UK (according to HSE statistics). We saw a significant increase in these types of accidents in the 2016-17 period. These were mainly attributable to CCS activities and specifically waste collection. It is to be expected that CCS will suffer a high number of slips, trips and falls due to the nature of their work, i.e. distance walked by operative, the terrain, etc. However, the trend was looked at in detail with CCS management and specifically the link to the pace of work by operatives and the care given to their work tasks. This prompted more focus on the monitoring undertaken by supervisors. Also a new H&S monitoring scheme was devised and implemented by the Corp. H&S team (detailed in section 6.6 of this report).

Whilst there was an increase in the category 'Hit something fixed or stationary' it should be noted that these were all very minor injuries.

6.4 Accidents by location

	2014 - 2015	2015 - 2016	2016 - 2017
Location	**Total number of incidents**	**Total number of incidents**	**Total number of incidents**
Car Park	5	4	5
Depot, Yard or Tip	14	6	6
External Building Feature	1	0	0
Foreshores	0	0	3
Internal Building Feature	3	2	0
Kitchen or Welfare Area	3	1	0
Office	4	3	10
Other	1	2	1
Parks & Open Spaces	7	5	7
Reception / Public Area	9	6	10
Third Party Premises	5	5	5
Vehicle, Roadside or Round	55	40	54
Workshop	2	0	1
Total	**109**	**74**	**102**

6.5 Training Courses delivered in the 2016 – 2017 period

Course Title	Attendees
Asbestos Awareness	88
Display Screen Equipment Workshop	21
Display Screen Equipment Assessors	1
First Aid 2 Day Refresher Course	7
Manual Handling Awareness	24
Risk Assessment Workshop	6
Fire Warden Training	28
Legionella Awareness Briefing	22
Ladder Safety	17
Emergency First Aid at Work Course	2
Conflict Mgt & Physical Intervention	24
NEBOSH Award in Health and Safety	12
Physical Intervention - VAR Team	8
Dealing with Difficult Situations - HS	21
Total Attendees	**281**

6.6 Health and Safety Compliance Monitoring – 'Safetywatch'

The overall purpose of the safety watch scheme is not only to monitor that the workforce at CCS is working in compliance with the procedures/work instructions/risk assessments but to promote engagement with the workforce on health and safety matters. Formal 'crew monitoring' is already undertaken by the supervisors in the waste team. The Corporate H&S team has previously undertaken formal covert observations of crews without engagement with the crew on site. This monitoring often led to CCS management taking disciplinary action without any prior engagement with the employee concerned. That style of monitoring only made a very short-term change to crews' working methods and seemed to make little or no difference culturally.

Some extremely effective safety management initiatives were used during the construction of the Olympic village (London 2012). This resulted in an excellent accident/incident record. The Corp. H&S team have devised a scheme similar to one used in the construction of the Olympic village. We have called it 'Safetywatch'. Every waste crew will have a Safetywatch visit twice per year. Safetywatch has recently been extended to include street cleansing and grounds maintenance teams and is so far proving extremely successful in engaging with CCS operatives.

6.7 H&S Challenges

The Corp. H&S team undertook an initiative with the Heads of Service to carry out H&S challenges with their managers – a form of H&S health check. This involved the HoS, assisted by a member of the Corp. H&S team, asking their managers key H&S questions to assess their level of compliance with the Council's H&S policies, procedures and guidance. This wasn't an in-depth audit but provided an opportunity to raise H&S awareness and to check key arrangements and documentation. Action plans were put together identifying areas for improvement. The actions have now been satisfactorily completed.

7. Resource and legal implications

7.1 There could be legal implications of not having a robust business continuity management system. If the Council is not adequately prepared for a business interruption then some of its statutory functions may not be capable of being performed.

7.2 There are legal implications of not complying with Health and Safety legislation, i.e. imprisonment of individuals, fines for the organisation and/or individuals.

8. Community impact and corporate risks

8.1 There is a corporate risk of not having a robust business continuity management system as there would be financial, reputational and legal implications of not being capable of continuing to provide a service to the public.

8.2 There is corporate risk of not complying with H&S legislation due to a risk of legal action against the Council. This is a financial risk to the Council through potential prosecution, fines, increase in civil claims, increased insurance premiums, risk of personal and/or corporate liability and reputation.

9. Other Implications

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

Safeguarding:		✓

10. Appendices

None

11. Background Papers

None

Chichester District Council

CORPORATE GOVERNANCE & AUDIT COMMITTEE 29 JUNE 2017

Internal Audit Reports and Progress against the Audit Plan

1. Contacts

Report Author:
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2. Recommendation

The committee is requested to:

1) Consider the two audit reports and make any comments.
2) Note progress against the audit plan.

3. Main Report

3.1. **Contracts Management**

The Audit of Contract Management has been undertaken in accordance with the three year plan which was approved by the Committee in March 2017.

The scope of the audit focused in the following areas:

- To document the processes for formatting a contract, variations to a contract, contract management/monitoring, budget monitoring and management information.

- Identify and test controls are in place within these processes.

Testing was based on contracts that commenced within the financial year 2016/2017 of which there were five. Of these, one was subject to a separate audit review and another was for the delivery of goods and services. For the purpose of this audit only three contracts were reviewed; Banking Telecommunications and Building Maintenance.

Overall Internal Audit was satisfied with Contact Management and with the introduction of guidance should ensure that the responsibilities and obligations are defined and fulfilled as efficiently and effectively as possible.

As a result Internal Audit has made three recommendations all of which have been classified as important and have been agreed by management.

3.2. **Key Financial Systems 2016/2017**

Every year Internal Audit review all the Key Financial systems as part of the three year cyclical audit plan. As part of this review, a number of key controls are identified and tested to establish compliance. The testing together with the results are then relied upon by the Council's external auditors Ernst and Young.

The internal audit team reviewed the key financial systems detailed as follows:

- Creditors
- Debtors
- Payroll
- Housing Benefits
- Council Tax
- Non Domestic Rates (NDR)
- Cash & Bank

The audit also included some additional control tests which were identified by internal audit and deemed important to the operation of the system i.e. procedure and guidance notes, access rights, parameters updates and data security etc.

This report has been produced to show all the Key Financial Systems and bring together all weaknesses identified during the reviews

Overall there have been improvements in the number of controls operating satisfactorily, however, there a number of controls that need to be re-enforced.

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

4. Background

4.1. Not Applicable

5. Outcomes to be achieved

5.1. Not Applicable

6. Proposal

6.1. Not Applicable

7. Alternatives that have been considered

7.1. Not Applicable

8. Resource and legal implications

8.1. Not Applicable

9. Consultation

9.1. Not Applicable

10. Community impact and corporate risks

10.1. Not Applicable

11. Other Implications

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

12. Appendices

12.1 Contracts Management

12.2 Key Financial Systems 2016/2017

12.3 Progress Report – Audit Plan

13. Background Papers

13.1 None

Internal Audit Report 2016/2017

Contract Management

Ann Kirk/Julie Ball
Auditor
May 2017

Contents

Audit: Contracts Management
Auditor: Ann Kirk

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1 Introduction

1.1 An audit of Contract Management has been undertaken in accordance with the three year audit plan which was approved by the Corporate Governance and Audit Committee of Chichester District Council. Good Contract Management ensures that the council maximises savings and quality of service, while ensuring that all parties involed in the contract fully understand their obligations and responsibilities and fulfil them as efficiently and effectively as possible.

2 Scope

2.1 The scope of this audit was to include the following:-

- To document the processes for forming a contract, variations to a contract, contract management/monitoring, budget monitoring and management information.
- Identify and test controls are in place within these processes

3 Testing and Findings

3.1 Testing was based on contracts that commenced within the financial year 2016/17 of which there were five. Of these, one was subject to a separate audit review (Leisure Centres contract SLM Ltd) and another (Les Searle Plant Hire and Sales Ltd) was for the delivery of goods and services, ie. the delivery of shingle, therefore for the purpose of this audit only three contracts were reviewed; Banking, Telecommunications and Building Maintenance.

3.2 **Entering into a Contract**

Ensuring that key requirements are fulfilled before a contract starts is a fundamental control for effective contract management. Testing was undertaken on each contract that had been entered into, to ensure that:-

a) Key performance indicators are outlined within the contract to help the Council measure that the quality of service is received and value for money has been achieved,

b) Signed contracts are in place which include terms and conditions to protect the Council

c) Contracts and documentation relating to the contracts are kept in a safe, secure environment either in an electronic or paper format.

All three contract examined contracts were found to include the above.

Variations to Contract

3.3 As contracts progress, changes maybe required. It is necessary that these changes are implemented with a 'Letter of Variation'. Testing on variations included a review; that appropriate documentation had been maintained and approval obtained, ie.signed by both the Council and Contractor. Only the Telecommunications contract (with Azzurri) identified a potential variation, this was for additional telephone lines to be installed. At the time of the audit, this was being reviewed by legal sevices who subsequently refused to agree or sign the variation. This company has since been sold to Mitel who are working with legal on a current variation, however, this is outside the period of audit's review.

Contract Monitoring

3.4 Once the contract commences it is important that there is a robust basis on which to monitor the performance of the contract. Testing on the contract management process was undertaken against what is set out within the individual contracts and included the following;-

a) Performance against the contract is monitored

b) Corrective action is taken where poor performance is identified

c) Regular meetings are undertaken as per the contract and a record made to that effect

Testing found that for two of the three contracts; telecommunications and building maintenance, there was a general lack of evidence to support whether managers were monitoring and measuring performance against the contract. Although regular meetings had taken place as per the contract, little or no documentary evidence could be provided to support these had taken place. Internal Audit recommends that all contract managers are reminded to retain minutes of meetings relating to contracts, in order to provide assurance. However, it is reported that none of the contracts reviewed, required corrective action due to poor performance.

Budget Monitoring and Management Information

3.5 Reviewing the financial position ensures that it is kept within budget and payments are made as stated in the contract.

Testing on the budget monitoring process included:-

a) Agreed budgets set out within the contract are monitored

b) Payments are made in accordance with contractual agreements and the Council's financial scheme of delegation.

c) Action is taken where variances are identified and increases in budget are appropriately authorised

As a result, testing found that evidence of monitoring was different in each case. In one case the contract clearly stated instalment payments to be made together with payment dates. These payments had been made in accordance with the contract. A review of the budgets for the remaining two contracts showed that they had not been exceeded. One Contract Manager undertook quarterly monitoring while the other relied on experience to determine whether the costs set out in the contract were being adhered to. None of the contracts tested to date had any changes or increases in budgets that required authorisation.

3.6 All contracts should have a reporting structure which needs to be adhered to. Within this audit, the contracts were tested to ensure that performance and budget monitoring are reported appropriately. All Managers who deal with contracts, informed Internal Audit that they undertake regular meetings with the contract managers but as previously mentioned, minutes were not always taken. In addition, all contract managers have one to ones with their appropriate Head of Service, but these are not always minuted.

3.7 Contract Management training was provided to all senior managers in May 2016. Testing throughout the audit has shown that contract managers deal with their responsibilities and maintain evidence differently. Guidance on contract management is currently being produced by the Procurement Officer; this will provide continuity and consistency across the council and include what is expected from contract managers. Clear guidance should also enable effective monitoring in future. Internal Audit suggests that for assurance purposes, the guidance includes reporting procedures so that those responsible for monitoring of contracts across the council report to Senior Management on their findings. This will provide assurance that big contracts are being carefully monitored by the managers, thus mitigating risks to the council.

4 Conclusion

4.1 The introduction of Contract Management Guidance should ensure that the responsibilities and obligations of the contract manager are defined and fulfilled as efficiently and effectively as possible. Additional monitoring would provide the assurance that contract management within Chichester District Council is working in accordance with this guidance for the benefit of the Council. As a result of this audit, Internal Audit has made three recommendations.

5 Recommendations

5.1 An Action Table has been produced, see Appendix 1. In order to prioritise actions required, a traffic light indicator has been used to identify issues raised as follows:

Red – Significant issues to be addressed

Amber – Important issues to be addressed

Green – Minor or no issues to be addressed

6 Action Plan – Appendix 1

Paragraph Ref	Recommendation	Officer	Priority	Agreed	Comments	Implementation Date
3.4 to 3.6	The Contract Management Guidance (currently being produced) clearly states what documentation is required to be kept by contract managers, including agenda's and minutes of meetings.	Procurement Officer	Important	Yes	New procedures are currently being completed.	September 2017
3.7	That Contract Management Guidance is completed as soon as possible.	Procurement Officer	Important	Yes	New procedures are currently being completed.	September 2017
3.7	The Contract Guidance includes a corporate reporting protocol for the monitoring of all key contracts.	Procurement Officer	Important	Yes	New procedures are currently being completed.	September 2017

<u>**Traffic Light Key**</u>

Significant Issues to be addressed   Important Issues to be addressed   Minor/No issues to be addressed

Internal Audit Summary Report 2016-2017

Key Financial Systems

Sue Shipway
Senior Auditor
May 2017

Contents

Audit: Key Financial Systems

Auditors: Sue Shipway, Stephen James, Julie Ball, Philippa Watts and Ann Kirk

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1 Introduction

1.1 Every year internal audit reviews all the Key Financial systems as part of the three year cyclical audit plan. As part of this review, a number of key controls are identified and tested to establish compliance. This testing together with the results, are then relied upon by the Council's external auditors Ernst and Young.

1.2 This report aims to bring together all the areas tested and any weaknesses identified during the audit for all the key financial systems.

2 Scope

2.1 The internal audit team have reviewed the key financial systems as listed below :

- Creditors
- Debtors
- Payroll
- Housing Benefits
- Council Tax
- Non Domestic Rates (NDR)
- Cash and Bank

2.2 The audit also included some additional control tests which were identified by internal audit and deemed important to the operation of the system ie. procedure and guidance notes, access rights, parameters updates and data security etc.

2.3 This report has been produced to show all the Key Financial Systems and bring together all weaknesses identified during the reviews. We have already discussed any issues with the responsible officers and reported their comments together with any actions already taken as well as the proposed actions and deadlines dates for those still to be implemented.

3 Findings

3.1 Generally, internal audit can report an overall improvement within the system of internal control and a reduction in number of the issues raised. In addition, all previously raised issues were followed up and a majority of these had been resolved.

3.2 There were three main findings to report this year:

- Opening Balances - At the time of audit's visit, (October 2016) a number of the closing balances from 2015-16 had not been carried forward in the general ledger, as a result, the control account reconciliations could not be formally reviewed or signed off by the Group Accountant. However, a subsequent follow up after the year end has confirmed that all reconciliations for 2016-17 are now completed, formally reviewed and signed off as required.

- Credit Notes - As at 18 October 2016 there were over £73k of incomplete credit notes sitting on the creditor's system, some of which dated back to 2013. There should be a control in place to ensure that credit notes are reviewed on a regular basis and appropriate action taken by the relevant Service and/or Finance to match and clear these. However, audit could find no evidence of any recent reviews being undertaken. This was discussed with the exchequer manager who indicated that a review would be carried out as part of the year end process. Audit revisited this and as at 31 May 2017 the balance had reduced to just under £15k, although this still included nearly £3k dating back to 2014/15. These should be matched or claimed back from the supplier as soon as possible.

- Duplicate Payments - Previously, it had been agreed that a report would be run for potential duplicate payments on a weekly basis. Whilst it is appreciated that weekly is probably not practical, this does need to be completed on a more regular basis.

  During the initial review audit found no evidence of report being run or reviews being carried out in 2016-17; in fact the last report run was dated December 2015, this was confirmed by the exchequer manager at the time. As part of a recent follow up review, audit were informed that all potential duplicate invoices for the year were being reviewed as part of the year end process and a report dated 23 May was provided, however, this also included those processed between April and May in the current year, 2017-18.

  Audit has since been referred to some additional reviews that took place during the period October 2016 to January 2017. From these, a report dated 21 December 2016 was extracted for testing because there was no evidence it had been reviewed by exchequer and/or any actions taken.

  A random sample was chosen and tested; this revealed that three duplicate payments had been made (totalling £710). Of these; two refunds had previously been requested and the remaining one was requested as a result of this audit. However, due to there being no clear process in place for exchequer to follow up on or cashiers to report on refunds recieved, audit are unable to confirm whether the requested refunds had been subsequently collected.

A fourth duplicate payment related to a housing benefit payment, whereby two cheques were raised for the same period. Although this was identified on the report run by exchequer, audit were informed that it is not their responsibility to review these. Further enquiries found that one of the cheques raised was cancelled prior to being posted and this was written back as a result of audit's review. A review will be undertaken on the manual payment process during the next audit in 2017-18.

All of the above payments related to the previous financial year (2015-16); this was due to an error in the data search criteria by exchequer, whereby the 1 April 2015 start date was requested instead of April 2016. However, as these still appeared as outstanding on the report they should have been reviewed.

A further four duplicate payments (totalling £1582) were identified by exchequer services in the year-end review, these related to 2016-17 and 2017-18. Requests for refunds have been made for all of those duplicate payments.

Whilst these amounts are not significant, they do demonstrate that duplicate payments can and are being processed. Further discussions have identified that some of the invoices were entered twice as a result of duplicate purchase orders being raised by the Services, although this has not been verified nor was it a finding from those originally tested by internal audit. This issue needs to be addressed as soon as possible so that only one purchase order is produced, thus reducing the risk of further duplicate payments being made.

- A table showing detailed findings and recommendations can be seen at Appendix 1, together with proposed actions and deadline dates for these to be completed by. This includes all key financial systems whether there are areas of non–compliance/weakness; it also identifies the priority given to those issues which need to be addressed immediately.

4 Conclusion

4.1 As reported above, there has been an overall improvement in the number of controls operating satisfactory; however, there are some key controls that need to be re-enforced.

4.2 In addition, the Payroll system procedures notes have still not been updated, despite being reported on previously.

5 Recommendations

5.1 An Action Table has been produced, see Appendix 1. In order to prioritise actions required, a traffic light indicator has been used to identify issues raised as follows:

Red – Significant issues to be addressed

Amber – Important issues to be addressed

Green – Minor or no issues to be addressed

6 Action Plan – Appendix 1

Service Area and System	Priority	Control issue raised	Recommendations/Actions Required	Comments/ Response	Officer responsible for action	Deadline for Action
Payroll TRENT	Important	During the year we undertook a review of Payroll Reconciliations carried out by Financial Services to ensure that they were completed and formally reviewed on a timely basis. Two reconciliations were randomly chosen, one for July and other for March 2017 (year-end). The July 2016 one was not signed off as reviewed until November 2016 and the March one was dated 18 May 2017, the day it was given to Audit. A further check on those reconciliations between November and March showed that although they had been completed on a timely basis, none were signed off until 18 May 2017.	The monthly Payroll reconciliation is a key control and should therefore be completed and formally reviewed on a timely basis, so that any differences between the payroll system (Trent) and the general ledger (Civica) can be identified, investigated and rectified as early as possible.	If an issue arises with a monthly reconciliation that is proving difficult to resolve, it is often the practice to complete the following month's reconciliation(s) in order to ascertain if it is an isolated problem. This can therefore delay the review and sign off of previous reconciliations.	Group Accountant (Revenue)	Immediately
	Important	Payroll Procedures are still out of date and have not been reviewed for a number of years.	It is essential that procedure/guidance notes are reviewed and updates on a regular basis, if not annually.	Personal notes are made by payroll staff but corporate	Payroll Manager	August 2017

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				procedures are still to be completed.		
Creditors CIVICA	Important	Audit testing identified a total of over £73K of incomplete credit notes dating back to 2013 sitting on the system. Some of these related to invoices that had already been paid whilst others had not been matched to outstanding invoices. Audit followed this up at the year end and found that action had been taken as part of the year end process. This process reduced the balance considerably to just under £15k, however, nearly £3k of these still related back to the credit notes from 2014 to 2015.	1. Although it is appreciated that many of the credit notes totalling £73k, could have be matched and therefore cleared, these should be reviewed and action taken on a regular basis. 2. The outstanding credit notes relating to 2014-2015 should be matched or claimed back from the supplier as soon as possible. 3. Credit Notes that relate to invoices which have already been paid should be set off against future invoices as soon as they are received.	Agreed. Added to the weekly/monthly task list and will be reported quarterly. A second review will be performed by the exchequer manager and any action taken.	Exchequer Manager	Commenced April 2017
	Significant	Because Civica (creditors system) allows for duplicate invoices to be entered, it was previously agreed that a potential duplicate payments report be run and checked by the exchequer team on a regular basis. At the time of audit's review (Oct 2016), the last report to have been run was dated December 2015. However, a subsequent follow up review showed that	1. Regular reviews should be carried out to ensure that invoices have not been entered onto the system twice. These reviews should also be signed and dated by the person carrying out the review. A process for reporting refunds needs to be considered so that exchequer can follow up on any further actions if required.	1. Added to the weekly/monthly Task List and will be reported quarterly. A second review will be performed by the exchequer manager and the task list dated and initialled.	Exchequer Manager	Commenced April 2017

		a number of reports had been run and checked between October 2016 and January 2017 and although there was a gap between January and March 2017, the May 2017 review did cover this period. As a result 7 duplicate payments (Totalling £2,292) were identified. 4 of the 7 duplicate payments were identified by exchequer and 3 were picked up in sample testing by internal audit. Owing to the way refunds are received and coded, no evidence could be provided by exchequer to confirm that any of the requests for refunds of duplicate payments had been received. Furthermore, audit were informed that more than one purchase order can be raised, thus raising the risk of duplicate payments being made.	2. Services should be reminded that it is important they only raise one purchase order This would reduce the risk of duplicate invoices being entered and subsequently paid. 3. In addition, perhaps the software supplier could be contacted to see whether they could build in an alert warning within the system to flag up when duplicate purchase orders/invoices are being input, thus preventing duplication at an early stage.	2. To be considered. A report on Purchase Orders being retrospectively raised is being taken to SLT. 3. Civica is looking to update the scanner software, this will hopefully then identify any duplicate invoices being scanned. Also a new module for dealing with electronic invoices, is being considered as the volume is increasing so this should improve data handling	Group Accountant Exchequer Manager/ Systems Admin	To be identified July/August 2017
	Important	During October 2016 audit found that the monthly creditor reconciliations were	It is important that closing balances are carried forward as soon as possible after	The balances were not brought forward	Group Accountant (Revenue)	Immediately

		incomplete, i.e. did not contain opening balances brought forward and as such could not be formally reiewed or signed off. However, a follow up has revealed that all Creditor reconciliations were completed, reviewed and signed off as at the year end.	closedown and monthly reconciliations not only completed on a timely basis but are formally reviewed, signed and dated as well.	as quickly as would be normally which meant that the formal review of monthly reconciliations were delayed. However, the group accountant is always made aware that there were no significant issues that needed attention.		
Debtors CIVICA	Important	During October 2016 audit found that the monthly creditor reconciliations were incomplete, i.e. did not contain opening balances brought forward and as such could not be formally reviewed or signed off. However, a follow up has revealed that all debtor reconciliations were completed, reviewed and signed off as at the year end.	It is important that closing balances are carried forward from the previous year as soon as possible so that monthly reconciliations can be completed, formally reviewed and signed off on a timely basis.	The balances were not brought forward as quickly as would be normally which meant that the formal review of monthly reconciliations were delayed. However, the group accountant is always made aware that there were no	Group Accountant (Revenue)	Immediately

				significant issues that needed attention.		
Council Tax Northgate	No Issues	None	None	None	NA	NA
Housing Benefits Northgate	Minor	Audit testing revealed that Housing Benefit accuracy checks are now taking place on a regular basis, however, none of the sheets had not been signed or dated.	The check sheets should be signed off and dated by the person checking them as reliance will be placed on this control going forward.	Agreed, but this manual checking and recording process will change shortly with the introduction of new performance monitoring software.	Revenue and Benefits Service Manager	31 Dec 2017
National Domestic Rates Northgate	No issues	None	None	None	NA	NA
Bank Reconciliation (Cash and Bank) CIVICA/AIM	No issues	A vast amount of work has been undertaken to streamline the Bank reconciliation process and although it has taken some time to catch up with the backlog, Internal Audit can now report that these were up to date as at the year end.	None	None	NA	NA

Progress Report – Audit Plan

As at 31st May 2017

Appendix 1

Audits Brought Forward from 2016-17	Auditor	No of Days	Days Remaining	Position with Audit
Museum/TIC	Stephen James	20	20	
Information Technology (GDPR/Data Security)	Stephen James	15	15	
Leisure Centres - Contract Management	Sue Shipway	15	13	Planning completed
2017/2018 - Audit Plan				
Income Management	Julie Ball	15	4	Ongoing
Section 106/CIL	Stephen James	15	15	
Trade and Green Waste	Sue Shipway/Julie Ball	15	15	
Customer Services Centre	Stephen James	15	15	
Debt Recovery	Julie Ball	20	20	

Other Audit Activities	Auditor	No of Days	Days Remaining	Position with Audit
Key Financial Systems - See below for details	Sue Shipway / Julie Ball / Stephen James	110	106	Ongoing
Planning and Control (Planning and Reviews)	Stephen James / Sue Shipway	15	11	Ongoing
Meetings / Discussions with EY	Stephen James / Sue Shipway	2	2	Monitoring Role and progress report
Committee Reports & Representation	Stephen James / Sue Shipway	15	14	Ongoing
Corporate Advice	Sue Shipway / Julie Ball / Stephen James	9	8	Ongoing
Contingency	Sue Shipway / Julie Ball / Stephen James	64	59	Analysed separately
AGS and Evidence	Stephen James/Sue Shipway	20	10	Deferred, further information required
Follow UPS	Sue Shipway / Julie Ball / Stephen James	10	8	Ongoing

Public Sector Internal Audit Standard (PSIAS)	Sue Shipway	20		Ongoing
Completed Audits				
Contract Management	Ann Kirk/Julie Ball	2	0	Report Completed
Key Financial Systems - See below for details	Sue Shipway	15	0	Report Completed
Fixed Asset Register (Transfer to Civica)	Sue Shipway/ Stephen James	5	0	Completed-No issues arising
Facitities Management	Julie Ball	20	0	Draft Report Issued
Deferred/ Removed to reduce				
Budgetary Control		15		Delegated responsibility and monitored by Finance
Business Continuity		5		Follow up only
Contracts/Procurement		10		Reviewed and Reported on above
Westward House		10		Income already covered by Income Management
Inclusion in Key Financial Systems 2017-18				
Creditors	Sue Shipway / Julie Ball / Stephen James			
Debtors	Sue Shipway / Julie Ball / Stephen James			
Payroll	Sue Shipway / Julie Ball / Stephen James			
NNDR	Sue Shipway / Julie Ball / Stephen James			
Treasury Management	Sue Shipway / Julie Ball / Stephen James	110		Report Completed
Fixed Assets	Sue Shipway / Julie Ball / Stephen James			
Council Tax	Sue Shipway / Julie Ball / Stephen James			
Bank Reconciliation	Sue Shipway / Julie Ball / Stephen James			
Budgetary Control	Sue Shipway / Julie Ball / Stephen James			

By virtue of paragraph(s) 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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