

# West Devon Audit Committee



West Devon  
Borough  
Council

<b>Title:</b>	<b>Agenda</b>
<b>Date:</b>	<b>Tuesday, 6th April, 2021</b>
<b>Time:</b>	<b>1.30 pm</b>
<b>Venue:</b>	<b>Teams</b>
<b>Full Members:</b>	<p style="text-align: center;"><b>Chairman</b> Cllr Davies <b>Vice Chairman</b> Cllr Vachon</p> <p><i>Members:</i> Cllr Ball Cllr Ridgers Cllr Bridgewater Cllr Yelland Cllr Renders</p>
<b>Interests – Declaration and Restriction on Participation:</b>	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.
<b>Committee administrator:</b>	Democratic.Services@swdevon.gov.uk

**1. Apologies for absence**

**2. Declarations of interest**

Members are invited to declare any personal or disclosable pecuniary interests, including the nature and extent of such interests they may have in any items to be considered at this meeting.

If Councillors have any questions relating to predetermination, bias or interests in items on this Agenda then please contact the Monitoring Officer in advance of the meeting.

**3. Items Requiring Urgent Attention**

To consider those items which, in the opinion of the Chairman, should be considered by the Meeting as matters of urgency (if any).

**4. Confirmation of Minutes**

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Meeting held on 9<sup>th</sup> February 2021

**5. Audit Progress Report and Sector Update (Year ending 31 March 2021)**

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**6. Informing the Audit Risk Assessment for the 2020/21 Financial Statements**

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**7. Internal Audit Progress Report 2020/21**

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**8. Internal Audit Plan Report 2021/22**

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**9. Shared Services Methodology 2020/21**

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**10. Debt Update Report**

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**11. Budget Book for 2021/22**

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# Agenda Item 4

At a Meeting of the **AUDIT COMMITTEE** held remotely by Teams, on **TUESDAY** the **9th** day of **February 2021** at **2.00pm**

**Present:**

- Cllr M Davies (Chairman)
- Cllr P Vachon (Vice Chair)
- Cllr K Ball
- Cllr A Bridgewater
- Cllr M Renders
- Cllr P Ridgers
- Cllr J Yelland

**Officers in attendance:**

- Section 151 Officer
- Head of Finance
- External Auditor
- Audit Manager
- Democratic Services Manager
- Accountant Business Partners
- Senior Case Officer – Democratic Services
- Director of Governance and Assurance
- Head of Strategy and Projects
- Senior Specialist Finance

**Also in attendance:** Cllrs C Edmonds, N Jory, N Heyworth and P Kimber

**\*AC 19 ITEMS REQUIRING URGENT ATTENTION**

There were no items requiring urgent attention raised by the Chairman.

**\*AC 20 CONFIRMATION OF MINUTES**

The Minutes of the Committee Meeting held on 13 October 2020 were confirmed as a correct record.

**\*AC 21 GRANT THORNTON - ANNUAL AUDIT LETTER**

The External Auditor took Members through the Annual Audit Letter.

In response to Member questions, he stated that the PSAA fee was in its second year of contract. The Audit fee had been too low for a number of years and with regulators expecting increasing workload the fee had subsequently gone up. Covid-19 had also impacted, with a 15% increase. Fee increases would be discussed next year. PSAA was advising on the base rate at £33,335 for the scale fee. An extra £1,500 accounted for work around pensions and £1,500 on property plant & equipment work.

It was noted that Mr Steve Johnson (Grant Thornton Audit Manager) had retired after 34 years of work. The Chairman asked to send him the thanks and appreciation of the whole Committee, who wished him well for his retirement.

It was then **RESOLVED** that:

The Grant Thornton Annual Audit Letter be noted.

**\*AC 22      TREASURY MANAGEMENT MID-YEAR REVIEW**

Cllr Edmonds introduced the report to the Committee. The S151 Officer confirmed that daily monitoring took place in regard to getting the best investments.

It was then **RESOLVED** that:

The Treasury Management Mid-Year Review report be endorsed.

**\*AC 23      UPDATE ON PROGRESS ON THE 2020-21 INTERNAL AUDIT PLAN**

Cllr Edmonds introduced Members to the progress report on the 2020-21 Internal Audit Plan. The Internal Audit Manager explained the impact of Covid-19 on the Internal Audit Plan. In response to Member questions, the Internal Audit Manager stated that expertise was occasionally needed to bring contractors to task as currently it was left to individual departments to monitor. Checks on new staff joining and those leaving the employ of the Council and the need for more controls with regard to agency staff was also raised.

It was **RESOLVED** that:

The Update on Progress on the 2020-21 Internal Audit Plan be noted and approved.

**\*AC 24      SUNDRY DEBT**

Cllr Edmonds introduced the report. In response to Member questions, the Section 151 Officer explained that high debts were assessed on a case by case basis. The Write-off of debts over £5,000 were presented to the Hub Committee for approval, whereas those under £5,000 were approved by the S151 Officer under delegated authority. It was requested that the officer in charge of reviewing Housing Benefit Overpayments be invited to the next Audit Committee meeting to give Members a better understanding of the process.

A Member asked for further information on three debts that were over £10,000 and the S151 Officer undertook to provide a written response on this to Members after this Audit Committee meeting.

It was **RESOLVED** that:

The latest position regarding Sundry Debts be noted.

**\*AC 25      REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) UPDATE**

Cllr Edmonds presented the report to Members and there were no Member questions or issues raised.



It was then **RESOLVED** that the Committee:

1. Welcome the report of the Investigatory Power Commissioners Office (Appendix A); and
2. Acknowledge that there had been no RIPA Authorisations since the last report had been presented to Members (2018).

(The Meeting terminated at 3.15pm)

Dated this

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Chairman

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# West Devon Borough Council Audit Progress Report and Sector Update

Year ending 31 March 2021

March 2021  
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Agenda Item 5

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Authority or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Introduction

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

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

Members of the Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications [www.grantthornton.co.uk](http://www.grantthornton.co.uk).

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

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Key Audit Partner

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# Progress at March 2021

## Financial Statements Audit

We have begun our initial planning for the 2020/21 audit and we include key elements of our proposed audit approach at this stage on the following pages. We will issue our formal Audit Plan to management and members once our planning work is concluded. We currently expect to begin our work on your draft financial statements in August.

Our planning work includes:

- obtaining an updated understanding of the Authority’s control environment;
- updating our understanding of financial systems;
- review of Internal Audit reports to consider their impact on our proposed audit strategy;
- understanding how the Authority makes material estimates for the financial statements; and
- identification of our key areas of focus and risk.

The results of our work to date are included in this report.

We will report our financial statements work in the Audit Findings Report and will aim to give our opinion on the Statement of Accounts by the end of September 2021.

## Value for Money

The new Code of Audit Practice (the “Code”) came into force on 1 April 2020 for audit years 2020/21 and onwards. The most significant change under the new Code is the introduction of an Auditor’s Annual Report, containing a commentary on arrangements to secure value for money and any associated recommendations, if required.

The new approach is more complex, more involved and will make more impact. Please see pages 10 to 12 for further details.

The new Value for Money work will require increased inputs and a richer skill mix and this will result in a fee variation. We will discuss this with management and report our proposed fee at the planning stage through our Audit Plan.

# Progress at March 2021 (cont.)

## Other areas

### Certification of claims and returns

We certify the Authority's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the Department for Work and Pensions (DWP). The certification work for the 2019/20 claim was completed on 29 January 2021 in accordance with the revised national timetable.

In accordance with our agreed engagement terms, the Authority undertakes the initial testing and we review a sample of this to ensure that we consider the conclusions to be appropriate. The Authority identified 3 errors during its testing and we confirmed that this testing and these findings were appropriate.

The Authority made a classification adjustment of £3,039 as a result of this work to its draft claim. The total final subsidy claimed for the year was £9,951,582.

The total fee for the work in 2019/20 was £7,405.

### Events

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

Further details of the publications that may be of interest to the Authority are set out in our Sector Update section of this report.

# Audit logistics



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## Client responsibilities

Where clients do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other clients. Where the elapsed time to complete an audit exceeds that agreed due to a client not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

## Our requirements

To minimise the risk of a delayed audit, you need to ensure that you:

- produce draft financial statements of good quality by the deadline you have agreed with us, including all notes, the Annual Report and the Annual Governance Statement;
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you;

- ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples for testing;
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit; and
- respond promptly and adequately to audit queries.



# Audit of financial statements

## Significant risks

The section below sets out the likely areas that we will expect our work to focus on.

### Presumed significant risks

ISA (UK) 240 includes two presumed risks as follows:

- revenue recognition may be misstated due to the improper recognition of revenue. This is a rebuttable risk and we will take into consideration the characteristics of various income streams of the Authority. In the previous year we rebutted this presumed significant risk at the Authority; and
- the risk of management over-ride of controls is present in all entities. We will review the Authority's key estimates, judgements and review a sample of journal entries.

### Other expected areas of focus

- valuation of the Authority's land and buildings, including investment properties; and
- valuation of the Authority's net defined benefit.

We will also consider COVID-19 and the on-going impact that this is having on the Authority from an operational and financial perspective.

### Materiality

The materiality level we propose at the planning stage of the audit is £506k (PY £502k). We are required to report all non-trivial errors to Those Charged With Governance. Our triviality is set at £25k. We will consider the impact of COVID-19 on the Authority's financial statements when we receive the draft and determine whether materiality should be revised at this stage.

# Audit deliverables

2020/21 Deliverables	Planned Date	Status
<p data-bbox="120 406 264 438"><b>Audit Plan</b></p> <p data-bbox="120 454 1377 566">We are required to issue a detailed audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Authority's 2020/21 financial statements and the Auditor's Annual Report on the Authority's Value for Money arrangements.</p>	June 2021	Not yet due
<p data-bbox="120 582 421 614"><b>Audit Findings Report</b></p> <p data-bbox="120 630 1377 710">At this stage we expect that the Audit Findings Report will be reported to a September Audit Committee, however Committee dates are yet to be confirmed.</p>	TBC	Not yet due
<p data-bbox="120 726 340 758"><b>Auditors Report</b></p> <p data-bbox="120 774 1377 821">This is the opinion on your financial statements.</p>	TBC	Not yet due
<p data-bbox="120 837 452 869"><b>Auditor's Annual Report</b></p> <p data-bbox="120 885 1377 928">This Report communicates the key issues arising from our Value for Money work.</p>	TBC	Not yet due

# Sector update

Authorities continue to try to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider local government sector and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- [Grant Thornton Publications](#)
- [Insights from local government sector specialists](#)
- [Reports of interest](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website by clicking on the logos below:

A teal rectangular button with the text "Public Sector" in white, sans-serif font.

Public Sector

A purple rectangular button with the text "Local government" in white, sans-serif font.

Local  
government

# The new approach to Value for Money

## The nature of value for money work

Section 20 and 21 of the Local Audit and Accountability Act 2014 (the Act) require auditors to be satisfied that the body “has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources”. The auditor’s work on VFM arrangements is undertaken in accordance with the Code and its supporting statutory guidance. The Comptroller and Auditor General has determined through the 2020 Code and guidance that the key output from local audit work in respect of VFM arrangements is the commentary as reported in the Auditor’s Annual Report. It is therefore not a VFM arrangements ‘conclusion’ or an ‘opinion’ in the same sense as the opinion on the financial statements themselves. The Act and the Code require auditors to consider whether the body has put in place ‘proper arrangements’ for securing VFM. The arrangements that fall within the scope of ‘proper arrangements’ are set out in 'AGN 03 Auditors' work on VFM arrangements', which is issued by the NAO. When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under three specified reporting criteria:

## Financial sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services, including how the body:

- ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- plans to bridge its funding gaps and identifies achievable savings;
- plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;

- ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

## Governance

How the body ensures that it makes informed decisions and properly manages its risks, including how the body:

- monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- approaches and carries out its annual budget setting process;
- ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed;
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee; and
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests).

# The new approach to Value for Money

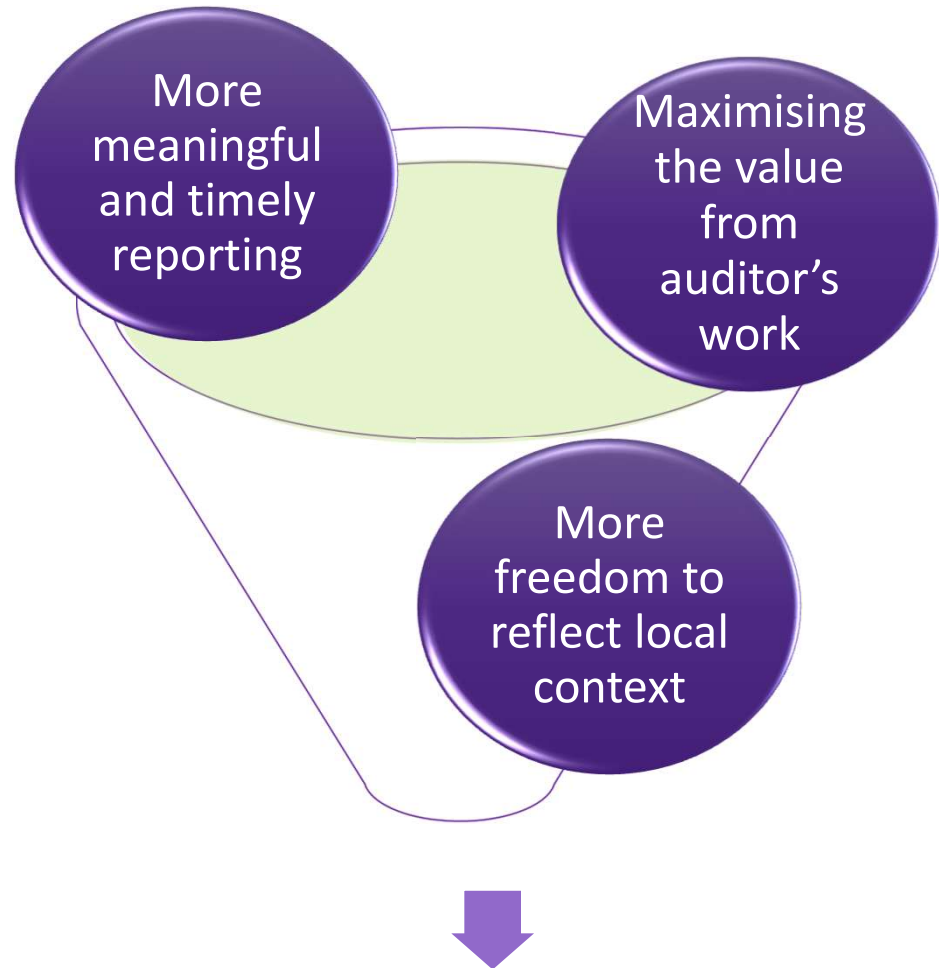
## Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services, including:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the body evaluates the services it provides to assess performance and identify areas for improvement;
- how the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve; and

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where the body commissions or procures services, how the body ensures that this is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits.



**VFM arrangements commentary and recommendations**

# The new approach to Value for Money

## The table below details what will be reported in the Auditor's Annual Report:

Section of report	Content
Commentary on arrangements	An explanation of the VFM work that has been undertaken during the year, including the risk assessment and any further risk-based work. It will also highlight any significant weaknesses that have been identified and brought to the body's attention. The commentary will allow auditors to better reflect local context and draw attention to emerging or developing issues which may not represent significant weaknesses, but which may nevertheless require attention from the body itself.
Recommendations	Where an auditor concludes that there is a significant weakness in a body's arrangements, they report this to the body and support it with a recommendation for improvement.
Progress in implementing recommendations	Where an auditor has reported significant weaknesses in arrangements in the previous year, the auditor should follow up recommendations issued previously and include their view as to whether the recommendations have been implemented satisfactorily.
Use of additional powers	Where an auditor uses additional powers, such as making statutory recommendations or issuing a public interest report, this should be reported in the auditor's annual report.
Opinion on the financial statements	The auditor's annual report also needs to summarise the results of the auditor's work on the financial statements.

## The table below details the three types of recommendations that auditors can make. Auditors may make recommendations at any time during the year.

Type of recommendation	Definition
Statutory recommendation	Where auditors make written recommendations to the body under Section 24 and Schedule 7 of the Local Audit and Accountability Act 2014. A recommendation of this type requires the body to discuss and respond publicly to the report.
Key recommendation	Where auditors identify significant weaknesses in a body's arrangements for securing value for money, they have to make recommendations setting out the actions that the body should take to address them
Improvement recommendation	Where auditors do not identify a significant weakness in the body's arrangements, but still wish to make recommendations about how the body's arrangements can be improved

# Revised auditing standard: Auditing Accounting Estimates and Related Disclosures

In the period December 2018 to January 2020 the Financial Reporting Council issued a number of updated International Auditing Standards (ISAs (UK)) which are effective for audits of financial statements for periods beginning on or after 15 December 2019. ISA (UK) 540 (revised): Auditing Accounting Estimates and Related Disclosures includes significant enhancements in respect of the audit risk assessment process for accounting estimates.

## Introduction

Under ISA (UK) 540 (Revised December 2018) auditors are required to understand and assess an entity's internal controls over accounting estimates, including:

- The nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates;
- How management identifies the need for and applies specialised skills or knowledge related to accounting estimates;
- How the entity's risk management process identifies and addresses risks relating to accounting estimates;
- The entity's information system as it relates to accounting estimates;
- The entity's control activities in relation to accounting estimates; and
- How management reviews the outcomes of previous accounting estimates.

As part of this process auditors also need to obtain an understanding of the role of those charged with governance, which is particularly important where the estimates have high estimation uncertainty, or require significant judgement.

Specifically do Audit Committee members:

- understand the characteristics of the methods and models used to make the accounting estimates and the risks related to them;
- oversee management's process for making accounting estimates, including the use of models, and the monitoring activities undertaken by management; and
- evaluate how management made the accounting estimates?

## Additional information that will be required for our March 2021 audits

To ensure our compliance with this revised auditing standard, we will be requesting further information from management and those charged with governance during our audit for the year ended 31 March 2021 in all areas summarised above for all material accounting estimates that are included in the financial statements.

Based on our knowledge of the Authority we have identified the following material accounting estimates for which this is likely to apply:

- valuations of land and buildings, including investment properties
- depreciation
- year end provisions and accruals
- credit loss and impairment allowances
- valuation of defined benefit net pension fund liabilities
- fair value estimates; and
- valuation of level 2 and level 3 financial instruments.

## The Authority's Information systems

In respect of the Authority's information systems we are required to consider how management identifies the methods, assumptions and source data used for each material accounting estimate and the need for any



changes to these. This includes how management selects, or designs, the methods, assumptions and data to be used and applies the methods used in the valuations.

When the models used include increased complexity or subjectivity, as is the case for many valuation models, auditors need to understand and assess the controls in place over the models and the data included therein. Where adequate controls are not in place we may need to report this as a significant control deficiency and this could affect the amount of detailed substantive testing required during the audit.

If management has changed the method for making an accounting estimate we will need to fully understand management's rationale for this change. Any unexpected changes are likely to raise the audit risk profile of this accounting estimate and may result in the need for additional audit procedures.

Page 18 We are aware that the Authority uses management experts in deriving some of its more complex estimates, e.g. asset valuations and pensions liabilities. However, it is important to note that the use of management experts does not diminish the responsibilities of management and those charged with governance to ensure that:

- all accounting estimates and related disclosures included in the financial statements have been prepared in accordance with the requirements of the financial reporting framework, and are materially accurate;
- there are adequate controls in place at the Authority (and where applicable its service provider or management expert) over the models, assumptions and source data used in the preparation of accounting estimates.

## Estimation uncertainty

Under ISA (UK) 540 (Revised December 2018) we are required to consider the following:

- how management understands the degree of estimation uncertainty related to each accounting estimate; and
- how management addresses this estimation uncertainty when selecting

their point estimate.

For example, how management identified and considered alternative methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the point estimate used.

The revised standard includes increased emphasis on the importance of the financial statement disclosures. Under ISA (UK) 540 (Revised December 2018), auditors are required to assess whether both the accounting estimates themselves and the related disclosures are reasonable.

Where there is a material uncertainty, that is where there is a significant risk of a material change to the estimated carrying value of an asset or liability within the next year, there needs to be additional disclosures. Note that not all material estimates will have a material uncertainty and it is also possible that an estimate that is not material could have a risk of material uncertainty.

Where there is material estimation uncertainty, we would expect the financial statement disclosures to include:

- What the assumptions and uncertainties are;
- How sensitive the assets and liabilities are to those assumptions, and why;
- The expected resolution of the uncertainty and the range of reasonably possible outcomes for the next financial year; and
- An explanation of any changes made to past assumptions if the uncertainty is unresolved.

## How can you help?

As part of our planning risk assessment procedures we routinely make a number of enquiries of management and those charged with governance, which include general enquiries, fraud risk assessment questions, going concern considerations etc. Responses to these enquires are completed by management and confirmed by those charged with governance at an Audit Committee meeting. For our 2020/21 audit we will be making additional



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enquires on your accounting estimates in a similar way (which will cover the areas highlighted above). We would appreciate a prompt response to these enquires in due course.

### **Further information**

Further details on the requirements of ISA (UK) 540 (Revised December 2018) can be found in the auditing standard on the Financial Reporting Council's website:

[https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-\(UK\)-540\\_Revised-December-2018\\_final.pdf](https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-(UK)-540_Revised-December-2018_final.pdf)

# Insight into accounting for grants in local government financial statements – Grant Thornton

The government has provided a range of financial support packages throughout the COVID-19 pandemic.

We have issued a brief bulletin aimed at helping local government bodies identify the key things they should consider when determining the accounting treatment for these grants in their financial statements for 2020/21.

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There are no changes to the accounting treatment for grants as required by the CIPFA Code of Practice on Local Authority Accounting. What has changed, is the extent of additional funding to support the cost of services, offset other income losses along with grant packages to be paid out to support local business. Local authorities need to consider the nature and terms of the various COVID-19 measures in order to determine whether there is income and expenditure to be recognised in the Comprehensive Income and Expenditure Statement in 2020/21.

The report highlights the factors to consider, including:

- where the funding is to be transferred to other parties, is the authority acting as principal or as agent?
- are there grant conditions outstanding?
- is the grant a specific or non-specific grant?

Our bulletin provides you with links to further information on the various support packages and summarises features that may be relevant to your judgements as you determine the appropriate accounting treatment.

Local authorities need to demonstrate their judgements on the accounting treatment to be reasonable and soundly based and, where these have a significant effect on the accounts, to ensure they include sufficient disclosures to meet the requirements of IAS 1:122.

A copy of the full report has been provided to your finance team. Please ask your engagement leader if you would like to receive a copy.



# Local government finance in the pandemic – National Audit Office

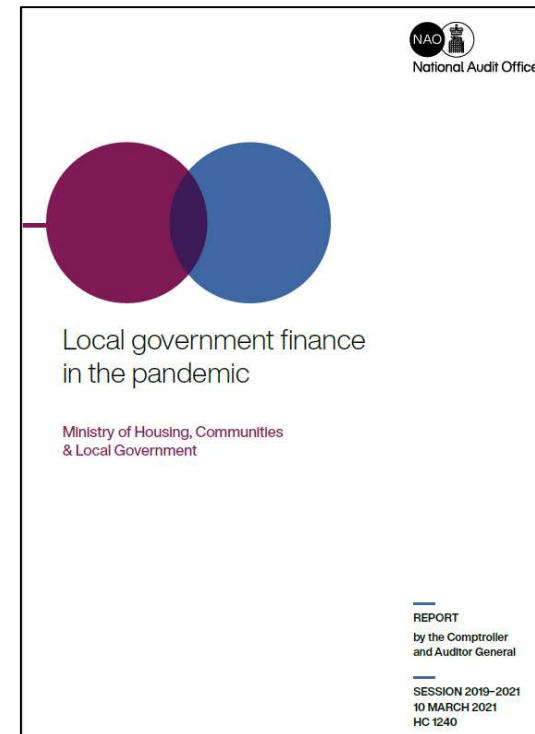
The National Audit Office (NAO) report, published in March, notes “The COVID-19 pandemic has been an unprecedented public health and economic emergency. Local authorities in England have made a major contribution to the national response to the pandemic, working to protect local communities and businesses, while continuing to deliver existing services. The pandemic has in turn placed significant pressure on local authorities’ finances, which in many cases were already under strain going into the pandemic.”

The NAO report examines if the Department’s approach to local government finance in the COVID-19 pandemic enabled it to assess and fund the costs of new services which local authorities have been asked to deliver. It also examines whether the Department fulfilled its responsibilities in securing financial sustainability across the sector.

The NAO report concludes “Steps taken by the government, led by the Department, have supported local authorities in the COVID-19 pandemic response. The Department’s successful monthly collection of data and continued intensive engagement with the sector provided a good evidence base to underpin the financial and other support provided by government. Action by the Department and wider government to support the sector has averted system-wide financial failure at a very challenging time and means that the Department has managed the most severe risks to value for money in the short term.

However, the financial position of local government remains a cause for concern. Many authorities will be relying on reserves to balance their 2020-21 year-end budgets. Despite continuing support into 2021-22 the outlook for next year is uncertain. Many authorities are setting budgets for 2021-22 in which they have limited confidence, and which are balanced through cuts to service budgets and the use of reserves.”

The NAO report found that “the combined impact on spending and non-tax income in 2020-21 is £9.7bn – equivalent to 17.6% of revenue expenditure. So far the government has announced £9.1bn of financial support, leaving a deficit of £605m.”



The full report can be obtained from the NAO website:

[Local government finance in the pandemic - National Audit Office \(NAO\) Report](#)

# Good practice in annual reporting – National Audit Office

The National Audit Office (NAO) state that the guide, launched in February, “Sets out our good practice principles for good annual reporting and provides illustrative examples taken from public sector organisations who are leading the way in this area.

The guide draws on examples of good practice from within each of the six sections of an Annual Report:

- Strategy
- Risk
- Operations
- Governance
- Measures of success
- Financial performance

The NAO also state that the guide “provides further examples where bodies have made their context more understandable to the reader through use of graphics and clear language and signposting.”

However, The NAO observe “Done well, reporting in the public sector enables the public and Parliament to understand – with ease and confidence – an organisation’s strategy and the risks it faces, how much taxpayers’ money has been spent and on what, and what has been achieved as a result.”

Further, the NAO note “The significant impacts of the pandemic emerged in the UK in mid-March 2020. This means that, for many organisations, the reporting impact will be greater in 2020-21 than in the prior year. Transparent annual reporting will help stakeholders understand the impact of COVID-19 on an organisation’s strategy, plans and operational and financial performance.”



The full report can be obtained from the NAO website:

<https://www.nao.org.uk/report/good-practice-in-annual-reports-february-2021/>

# 2019/20 audited accounts – Public Sector Audit Appointments

In December 2020 Public Sector Audit Appointments (PSAA) published figures relating to the audit of 2019/20 local authority financial statements.

PSAA report “Audit arrangements in local councils, police, fire and other local government bodies are continuing to exhibit signs of stress and difficulty. In the latest audit round, focusing on 2019/20 financial statements and value for money arrangements, fewer than 50% of bodies’ audits were completed by the revised target of 30 November.

Figures compiled by PSAA, the organisation responsible for appointing auditors to 478 local bodies, reveal that 55% (265) of audit opinions were not issued by 30 November. This is a further deterioration on 2018/19 audits when 43% of opinions (210 out of 486) were delayed beyond the then target timetable of 31 July.

This year’s timetable has been deliberately eased by Ministers in recognition of the underlying pressures on the audit process and the significant added complications arising from the COVID-19 pandemic. The pandemic has posed practical challenges for bodies in producing accounts and working papers, and for auditors to carry out their testing. Both sets of staff have had to work remotely throughout the period, and the second national lockdown came at a critical point in the cycle.

Questions and concerns about the potential implications of the pandemic for some bodies have meant that both finance staff and auditors have needed to pay particular attention to the financial position of each entity. Additionally, following a series of increasingly challenging regulatory reviews, auditors have arguably been more focused than ever on their professional duty to give their opinion only when they are satisfied that they have sufficient assurance.”



The news article can be found here:

[News release: 2019/20 audited accounts – PSAA](#)

# CIPFA Financial Resilience Index

The Chartered Institute of Public Finance & Accountancy's (CIPFA) Financial Resilience Index is a comparative tool designed to provide analysis on resilience and risk and support good financial management.

CIPFA note "CIPFA's Financial Resilience Index is a comparative analytical tool that may be used by Chief Financial Officers to support good financial management, providing a common understanding within a council of their financial position.

The Index shows a council's position on a range of measures associated with financial risk. The selection of indicators has been informed by extensive financial resilience work undertaken by CIPFA over the past five years, public consultation and technical stakeholder engagement.

Section 151 officers may also use the index in their annual report to the council setting out the proposed budget for the year and medium-term financial strategy.

While the impact of COVID-19 resulted in a delay to the publication of the index, it is still able to provide a comprehensive pre-COVID baseline, illustrating the financial resilience of authorities as they entered the pandemic."

CIPFA found that "there was a real-terms reduction of £800m in the level of reserves in 2020 compared with the previous year. At the end of March 2020 council reserves levels stood at £24.6bn, around 3% lower than £25.4bn recorded at the same period in 2019."

CIPFA note "The index is made up of a set of indicators. These indicators take publicly available data and compare similar authorities across a range of factors. There is no single overall indicator of financial risk, so the index instead highlights areas where additional scrutiny should take place in order to provide additional assurance. This additional scrutiny should be accompanied by a narrative to place the indicator into context."



The Financial Resilience tool is available on the CIPFA website below:

<https://www.cipfa.org/services/financial-resilience-index-2021?crdm=0>



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# Informing the audit risk assessment for West Devon Borough Council 2020/21

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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## Purpose

The purpose of this report is to contribute towards the effective two-way communication between West Devon Borough Council's external auditors and West Devon Borough Council's Audit Committee, as 'those charged with governance'. The report covers some important areas of the auditor risk assessment where we are required to make inquiries of the Audit Committee under auditing standards.

## Background

Under International Standards on Auditing (UK), (ISA(UK)) auditors have specific responsibilities to communicate with the Audit Committee. ISA(UK) emphasise the importance of two-way communication between the auditor and the Audit Committee and also specify matters that should be communicated.

This two-way communication assists both the auditor and the Audit Committee in understanding matters relating to the audit and developing a constructive working relationship. It also enables the auditor to obtain information relevant to the audit from the Audit Committee and supports the Audit Committee in fulfilling its responsibilities in relation to the financial reporting process.

## Communication

As part of our risk assessment procedures we are required to obtain an understanding of management processes and the Council's oversight of the following areas:

- general enquiries of management
- fraud,
- laws and regulations,
- related parties, and
- accounting estimates.

This report includes a series of questions on each of these areas and the response we have received from South Ham District Council's management. The Audit Committee should consider whether these responses are consistent with its understanding and whether there are any further comments it wishes to make.

## General Enquiries of Management

Question	Management response
<p>1. What do you regard as the key events or issues that will have a significant impact on the financial statements for 2020/21?</p>	<p>The Covid pandemic became prevalent in March 2020, near the year end date. This has had an impact on Fixed Asset Valuations with a Material Uncertainty shown in Note 1 'Assumptions made about the future and other major sources of estimation uncertainty' of the 2019/20 Accounts.</p> <p>The Council has four Investment Properties.</p> <p>The Council set an Amended Budget part way through the year for 2020/21 and has received various sources of COVID funding and specific grants. The Council has also administered Business Grants to businesses during the year which has totalled £25 million to date.</p> <p>Treatment of COVID grants received.</p>
<p>2. Have you considered the appropriateness of the accounting policies adopted by West Devon Borough Council?</p> <p>Have there been any events or transactions that may cause you to change or adopt new accounting policies?</p>	<p>Yes the appropriateness has been considered – they are considered appropriate.</p> <p>No</p>
<p>3. Is there any use of financial instruments, including derivatives?</p>	<p>A summary of Financial Instruments carried on the Balance Sheet are shown in Note 14 to the Accounts.</p> <p>The Council has a £0.5m Investment with the CCLA Property Fund.</p>
<p>4. Are you aware of any significant transaction outside the normal course of business?</p>	<p>No – see comments in Section 1 about the Covid pandemic in general.</p> <p>Extra work carried out in relation to Covid19 and issuing grants, receiving funding for significant income losses etc.</p>

## General Enquiries of Management

Question	Management response
5. Are you aware of any changes in circumstances that would lead to impairment of non-current assets?	No – see comments about Material Uncertainty due to the Covid 19 pandemic
6. Are you aware of any guarantee contracts?	No. The main two contracts the Council has is for the delivery of waste services with FCC and for the delivery of leisure services with Fusion Leisure.
7. Are you aware of the existence of loss contingencies and/or un-asserted claims that may affect the financial statements?	No
8. Other than in house solicitors, can you provide details of those solicitors utilised by West Devon Borough Council during the year. Please indicate where they are working on open litigation or contingencies from prior years?	Yes – a list will be provided at the end of the year when the ledger is closed. There are no known contingencies from previous years being worked on.

## General Enquiries of Management

Question	Management response
9. Have any of West Devon Borough Council's service providers reported any items of fraud, non-compliance with laws and regulations or uncorrected misstatements which would affect the financial statements?	No
10. Can you provide details of other advisors consulted during the year and the issue on which they were consulted?	<p>Link Services have advised on Treasury Management advice for the year</p> <p>Local Government Futures have given advice to the Devon Business Rates Pool on the decision to continue to pool for 2021/22.</p> <p>A list will be provided at the end of the year when the ledger is closed.</p>

# Fraud

## Issue

### Matters in relation to fraud

ISA (UK) 240 covers auditors responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both the Audit Committee and management. Management, with the oversight of the Audit Committee, needs to ensure a strong emphasis on fraud prevention and deterrence and encourage a culture of honest and ethical behaviour. As part of its oversight, the Audit Committee should consider the potential for override of controls and inappropriate influence over the financial reporting process.

As West Devon Borough Council's external auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

As part of our audit risk assessment procedures we are required to consider risks of fraud. This includes considering the arrangements management has put in place with regard to fraud risks including:

- assessment that the financial statements could be materially misstated due to fraud,
- process for identifying and responding to risks of fraud, including any identified specific risks,
- communication with the Audit Committee regarding its processes for identifying and responding to risks of fraud, and
- communication to employees regarding business practices and ethical behaviour.

We need to understand how the Audit Committee oversees the above processes. We are also required to make inquiries of both management and the Audit Committee as to their knowledge of any actual, suspected or alleged fraud. These areas have been set out in the fraud risk assessment questions below together with responses from West Devon Borough Council's management.



## Fraud risk assessment

Question	Management response
<p>1. Have West Devon Borough Council assessed the risk of material misstatement in the financial statements due to fraud?</p> <p>How has the process of identifying and responding to the risk of fraud been undertaken and what are the results of this process?</p> <p>How do West Devon Borough Council's risk management processes link to financial reporting?</p>	<p>The Council's Audit Committee exercises overview of management's processes for identifying and reporting the risk of fraud and possible breaches of internal control for West Devon Borough Council. This is done through the following:  <i>Anti Fraud, Corruption and Bribery Policy and Strategy, and Anti-Money Laundering Policy:</i>                      The Audit Committee considers and recommends to Council the approval of the Council's policies and zero tolerance position in relation to fraud and money laundering and monitors their use and any actions required to improve the control environment following alleged breaches.  <i>The System of Internal Audit:</i> as described below, related reports to the Audit Committee include breaches of internal control and the Council's related Rules; Contract and Financial Procedure Rules as well as information on alleged fraud.</p> <p>The Senior Leadership Team consider it to be unlikely that the financial statements are materially misstated due to fraud.</p> <p>6 monthly reports on risk management are presented to the Council's Audit Committee. The risk management matrix used makes an assessment of the financial impact and the scoring is based on a range of financial impacts.</p>
<p>2. What have you determined to be the classes of accounts, transactions and disclosures most at risk to fraud?</p>	<p>The area most at risk of Fraud is Housing Benefit Fraud and fraud of the Business Grants administered by the Council.</p>

## Fraud risk assessment

Question	Management response
<p>3. Are you aware of any instances of actual, suspected or alleged fraud, errors or other irregularities either within West Devon Borough Council as a whole or within specific departments since 1 April 2020?</p> <p>As a management team, how do you communicate risk issues (including fraud) to those charged with governance?</p>	<p>Not within the Council or within Council departments.</p> <p>Fraud risk assessments have been completed for the administration of Business Grants during the year. Any suspected fraud has been reported and investigated through the Devon Audit Partnership.</p>
<p>4. Have you identified any specific fraud risks?</p> <p>Do you have any concerns there are areas that are at risk of fraud?</p> <p>Are there particular locations within West Devon Borough Council where fraud is more likely to occur?</p>	<p>Please see details in 3.</p>
<p>5. What processes do West Devon Borough Council have in place to identify and respond to risks of fraud?</p>	<p>The Audit Committee receives a six monthly report on strategic risks. The Audit Committee also receives an annual report from the Statutory Officers' Panel (consisting of the Chief Executive, the S151 Officer and the Monitoring Officer) and one of the areas considered is Fraud. The Internal Audit Manager also reports on Fraud as part of his annual internal report to the Audit Committee.</p> <p>Fraud risk assessments have been completed for the administration of Business Grants during the year. Any suspected fraud has been reported and investigated through the Devon Audit Partnership.</p>

## Fraud risk assessment

Question	Management response
<p>6. How do you assess the overall control environment for West Devon Borough Council, including:</p> <ul style="list-style-type: none"> <li>the existence of internal controls, including segregation of duties; and</li> <li>the process for reviewing the effectiveness the system of internal control?</li> </ul> <p>If internal controls are not in place or not effective where are the risk areas and what mitigating actions have been taken?</p> <p>What other controls are in place to help prevent, deter or detect fraud?</p> <p>Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets)?</p>	<p>The Internal Control environment is reported on quarterly to the Audit Committee as part of the regular reporting of the Internal Audit Manager.</p> <p>A 'follow up' report is done on all internal audits on an annual basis also.</p> <p>Housing Benefit fraud and Business Grants fraud are the highest risk areas.</p> <p>Post payment assurance reporting for business grants. Preventive controls are designed into systems to help stop fraud at the gateway for application processes. Reconciliations, segregation of duties, formal schemes of delegation and authorisation are in place for financial transactions. Compensating controls such as counter fraud measures.</p> <p>See above</p> <p>None known of.</p>
<p>7. Are there any areas where there is potential for misreporting?</p>	<p>None known of to the S151 Officer</p>

## Fraud risk assessment

Question	Management response
<p>8. How do West Devon Borough Council communicate and encourage ethical behaviours and business processes of it's staff and contractors?</p> <p>How do you encourage staff to report their concerns about fraud?</p> <p>What concerns are staff expected to report about fraud?</p> <p>Have any significant issues been reported?</p>	<p>The Anti Fraud, Corruption and Bribery arrangements, whistle blowing policy and other ethical standards are publicised throughout the Council and to a wider audience outside through training, leaflets, the internal computer network and the Council's website etc.</p> <p>Reliance is placed on the process and the Council's Constitution, which includes the following: After consulting with the Head of Paid Service and the Monitoring Officer, the Section 151 Officer will report to the full Council and the Council's external auditor if it is considered that any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause a loss or deficiency or if the Council is about to enter an item of account unlawfully;</p> <p>After consulting with the Head of Paid Service and Section 151 Officer, the Monitoring Officer will report to the Full Council if it is considered that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.</p> <p>There are processes in place to provide members of the Audit Committee, and other member bodies, with the assurance that when considering agenda items all relevant laws have been complied with, which includes: A formal system of consultation for all reports to member bodies, which includes advice on the legal implications from qualified solicitors and advice on financial implications by qualified accountants;</p> <p>The S151 Officer is not aware of any significant issues raised. Suspected fraud on business grants has been reported to the Devon Audit Partnership to investigate.</p> <p>All staff are recruited and regularly assessed against the Council's six IMPACT behaviours of Communicative, Responsible, Adaptable, Challenging, Co-operative and Outcome Focussed.</p>
<p>9. From a fraud and corruption perspective, what</p>	<p>All 5 posts within the Senior Leadership Team – being the Chief Executive, the Deputy Chief Executive</p>

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## Fraud risk assessment

Question	Management response
<p>11. What arrangements are in place to report fraud issues and risks to the Audit Committee?</p> <p>How does the Audit Committee exercise oversight over management's processes for identifying and responding to risks of fraud and breaches of internal control?</p> <p>What has been the outcome of these arrangements so far this year?</p>	<p>The Audit Committee exercises overview of management's processes for identifying and reporting the risk of fraud and possible breaches of internal control for the Council.</p> <p>This is done through the following: Anti Fraud, Corruption and Bribery Policy and Strategy, and Anti-Money Laundering Policy:</p> <p>The Audit Committee considers and recommends to Council the approval of the Council's policies and zero tolerance position in relation to fraud and money laundering and monitors their use and any actions required to improve the control environment following alleged breaches.</p> <p>The System of Internal Audit: related reports to the Audit Committee include breaches of internal control and the Council's related Rules; Contract and Financial Procedure Rules as well as information on alleged fraud.</p> <p>No significant fraud issues have been identified to date.</p>
<p>12. Are you aware of any whistle blowing potential or complaints by potential whistle blowers? If so, what has been your response?</p>	<p>The S151 Officer is not aware of any.</p>
<p>13. Have any reports been made under the Bribery Act?</p>	<p>No.</p>

## Law and regulations

### Issue

#### **Matters in relation to laws and regulations**

ISA (UK) 250 requires us to consider the impact of laws and regulations in an audit of the financial statements.

Management, with the oversight of the Audit Committee, is responsible for ensuring that West Devon Borough Council's operations are conducted in accordance with laws and regulations including those that determine amounts in the financial statements.

As auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. As part of our risk assessment procedures we are required to make inquiries of management and the Audit Committee as to whether the entity is in compliance with laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Risk assessment questions have been set out below together with responses from management.

## Impact of laws and regulations

Question	Management response
<p>1. How does management gain assurance that all relevant laws and regulations have been complied with?</p> <p>What arrangements does West Devon Borough Council have in place to prevent and detect non-compliance with laws and regulations?</p> <p>Are you aware of any changes to West Devon Borough Council's regulatory environment that may have a significant impact on the Council's financial statements?</p>	<p>Every Committee and Council report has to state the legal implications of the report and state the legal powers that are being used to make a decision.</p> <p>The Monitoring Officer and the S151 Officer review all reports that are published and reports are 'signed off' by these Statutory Officers.</p> <p>Annual Governance process certifies that statutory obligations for the services managers are responsible for, have been understood and fulfilled.</p> <p>No – see comments about how Covid19 will affect valuations and a Material Valuation Uncertainty being given.</p>
<p>2. How is the Audit Committee provided with assurance that all relevant laws and regulations have been complied with?</p>	<p>The Audit Committee receives a quarterly confirmation that there is no significant breach of law or internal rules. Internal Audit reports, annual assurance opinion and results of the annual governance review process.</p>
<p>3. Have there been any instances of non-compliance or suspected non-compliance with laws and regulation since 1 April 2020 with an on-going impact on the 2020/21 financial statements?</p>	<p>No</p>
<p>4. Is there any actual or potential litigation or claims that would affect the financial statements?</p>	<p>No material claims known of. This position will be reviewed and confirmed at 31/3/2021.</p>

## Impact of laws and regulations

Question	Management response
5. What arrangements does West Devon Borough Council have in place to identify, evaluate and account for litigation or claims?	The S151 Officer and Monitoring Officer have regular meetings with the Chief Executive where any such items would be discussed. None known of.
6. Have there been any report from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance?	No – None known of.



# Related Parties

## Issue

### Matters in relation to Related Parties

West Devon Borough Council are required to disclose transactions with entities/individuals that would be classed as related parties. These may include:

- entities that directly, or indirectly through one or more intermediaries, control, or are controlled by West Devon Borough Council;
- associates;
- joint ventures;
- an entity that has an interest in the authority that gives it significant influence over the Council;
- key management personnel, and close members of the family of key management personnel, and
- post-employment benefit plans (pension fund) for the benefit of employees of the Council, or of any entity that is a related party of the Council.

A disclosure is required if a transaction (or series of transactions) is material on either side, i.e. if a transaction is immaterial from the Council's perspective but material from a related party viewpoint then the Council must disclose it.

ISA (UK) 550 requires us to review your procedures for identifying related party transactions and obtain an understanding of the controls that you have established to identify such transactions. We will also carry out testing to ensure the related party transaction disclosures you make in the financial statements are complete and accurate.

## Related Parties

Question	Management response
<p>1. Have there been any changes in the related parties including those disclosed in West Devon Borough Council's 2020/21 financial statements? If so please summarise:</p> <ul style="list-style-type: none"> <li>• the nature of the relationship between these related parties and West Devon Borough Council</li> <li>• whether West Devon Borough Council has entered into or plans to enter into any transactions with these related parties</li> <li>• the type and purpose of these transactions</li> </ul>	<p>No – no changes</p>
<p>2. What controls does West Devon Borough Council have in place to identify, account for and disclose related party transactions and relationships?</p>	<p>All Members and all of the Senior Leadership Team are required to complete a Related Parties Return in April 2021 following the Year End. Items disclosed on these returns are reviewed by the Finance Head of Practice, to assess whether they need to be disclosed within the Financial Statements. A register of Member and Officer interests is maintained.</p>
<p>3. What controls are in place to authorise and approve significant transactions and arrangements with related parties?</p>	<p>See comments above. None known of to the S151 Officer. If this situation arose, the S151 Officer would discuss it with the Monitoring Officer and the Head of Paid Service to ensure mitigating controls were put in place. Robust procurement controls are operated with contract authorisation limits.</p>
<p>4. What controls are in place to authorise and approve significant transactions outside of the normal course of business?</p>	<p>See comments above. None known of to the S151 Officer. If this situation arose, the S151 Officer would discuss it with the Monitoring Officer and the Head of Paid Service to ensure mitigating controls were put in place.</p>

# Accounting estimates

## Issue

### Matters in relation to Related Accounting estimates

ISA (UK) 540 (Revised December 2018) requires auditors to understand and assess an entity's internal controls over accounting estimates, including:

- the nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates;
- how management identifies the need for and applies specialised skills or knowledge related to accounting estimates;
- how the entity's risk management process identifies and addresses risks relating to accounting estimates;
- the entity's information system as it relates to accounting estimates;
- the entity's control activities in relation to accounting estimates; and
- how management reviews the outcomes of previous accounting estimates.

As part of this process auditors also need to obtain an understanding of the role of those charged with governance, which is particularly important where the estimates have high estimation uncertainty, or require significant judgement.

Specifically do Audit Committee members:

- understand the characteristics of the methods and models used to make the accounting estimates and the risks related to them;
- oversee management's process for making accounting estimates, including the use of models, and the monitoring activities undertaken by management; and
- evaluate how management made the accounting estimates?

We would ask the Audit Committee to satisfy itself that the arrangements for accounting estimates are adequate.

## Accounting Estimates - General Enquiries of Management

Question	Management response
1. What are the classes of transactions, events and conditions, that are significant to the financial statements that give rise to the need for, or changes in, accounting estimate and related disclosures?	There will be extra disclosure requirements this year around COVID related issues. The Council has also administered a significant amount of Business Grants on behalf of the Government. In addition, the Council has also received other Government Grants to administer. These amounts are material and will be highlighted in the relative parts of the Accounts e.g. the Collection Fund.
2. How does the Council's risk management process identify and addresses risks relating to accounting estimates?	The most significant accounting estimates are reviewed when the actual data is known, to assess the accuracy of the original estimate.
3. How do management identify the methods, assumptions or source data, and the need for changes in them, in relation to key accounting estimates?	This is done on an individual basis with respect to the key accounting estimates.
4. How do management review the outcomes of previous accounting estimates?	This forms part of the post audit review of the closedown procedure.
5. Were any changes made to the estimation processes in 2020/21 and, if so, what was the reason for these?	No changes are envisaged at this early stage of the Accounts preparation process.

## Accounting Estimates - General Enquiries of Management

Question	Management response
<p>6. How do management identify the need for and apply specialised skills or knowledge related to accounting estimates?</p>	<p>This is a judgement which is made on an individual basis e.g. bad debt provisions. Specialist knowledge is obtained where needed from experienced external advisers, e.g. business rates appeals.</p> <p>The Chief Finance Officer (S151 Officer) is a member of the Strategic Leadership Team (SLT). The finance team have knowledge acquired through professional qualifications or training.</p>
<p>7. How does the Council determine what control activities are needed for significant accounting estimates, including the controls at any service providers or management experts?</p>	<p>The Chief Finance Officer considers these as part of their materiality assessment and also as part of dialogue with the Legal department in relation to any claims.</p> <p>Internal audit reports are considered where they report on any relevant control weaknesses.</p>
<p>8. How do management monitor the operation of control activities related to accounting estimates, including the key controls at any service providers or management experts?</p>	<p>Through the monthly budget monitoring exercise carried out and monthly reporting of financial data.</p>
<p>9. What is the nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates, including:</p> <ul style="list-style-type: none"> <li>• management's process for making significant accounting estimates;</li> <li>• the methods and models used; and</li> <li>• the resultant accounting estimates included in the financial statements.</li> </ul>	<p>Financial monitoring reports are presented to the Senior Leadership Team/Hub Committee and Audit Committee and any challenge is made on assumptions.</p> <p>Through the budget monitoring process, the Finance team consider the robustness of estimates and challenges these.</p> <p>Members of the Extended Leadership Team (ELT) and service managers provide updates if material on any significant developments and data provided from the debt recovery process.</p>

# Accounting Estimates - General Enquiries of Management

Question	Management response
10. Are management aware of transactions, events, conditions (or changes in these) that may give rise to recognition or disclosure of significant accounting estimates that require significant judgement (other than those in Appendix A)?	Business rates appeals.
11. Are the management arrangements for the accounting estimates, as detailed in Appendix A reasonable?	Yes
12. How is the Audit Committee provided with assurance that the arrangements for accounting estimates are adequate ?	Through the collation and approval of the annual accounts and accounting policies.

## Appendix A Accounting Estimates

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Land and buildings valuations	Use of internal qualified valuers.	Valuations are performed annually to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. For land and buildings all material assets will be considered in 2020/21.	In house valuers	Degree of uncertainty inherent with any revaluation. We employ professional valuers and rely on expert opinion. Valuers look at in terms of materiality, RICS and accounting guidance.  All material freehold land and buildings, which comprise the Council's property portfolio, are revalued by the Council's Valuer on a five year rolling programme.	No
Investment property valuations	Use of external qualified valuers. Measured annually at Fair Value.	Valuations are performed annually	External valuations where appropriate	Degree of uncertainty inherent with any revaluation. Valuers look at in terms of materiality, RICS and accounting guidance.	No
Depreciation and estimated remaining useful lives	Each part of an item of property, plant and equipment with a significant cost in relation to the total cost is depreciated separately. Depreciation methods, useful	See left box	Discussion with internal asset team and where applicable the Council as the valuer	Depreciation is calculated on a straight line basis as this reflects consumption of assets and is a reasonable assumption.	No

## Appendix A Accounting Estimates

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Valuation of defined benefit net pension fund liabilities	Staff are members of the Local Government Pension Scheme (LGPS), administered by the Devon County Council Pension Fund.	The Council responds to queries raised by the actuaries and the administering body. Rely on calculations made by the actuary. Challenge any unusual movements or assumptions with the actuary.	The Council is provided with an actuarial report by the Pension actuaries.	The nature of these figures forecasting into the future are based upon the best information held at the current time and are developed by experts in their field.	No
Measurement of financial instruments including fair value estimates	Financial instruments are valued at fair value based on the advice of external treasury consultants and investment fund managers.	All financial instruments are reviewed at the year end and advice taken from professional advisors.	Yes	Instruments are valued on an individual basis with advice from treasury management professionals and investment fund managers.	No



## Appendix A Accounting Estimates

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Provisions	Method depends on the provision type – e.g. bad debt provisions are based on an aged debt analysis	Each provision is separately reviewed by an accountant and a working paper is put together to support the calculation.	As necessary on an individual basis	Each provision is assessed on an individual basis to ensure that it meets the criteria of a provision per IAS 37. The degree of uncertainty is assessed when determining whether a provision is the correct treatment for an item.	No
Accruals	We use standard accruals accounting –accruals are based on expenses incurred that have not yet been paid.	Regular budget monitoring provides rigorous analysis so that any accruals are highlighted and actioned throughout the year.	N/A	We use standard accruals accounting – accruals are based on expenses incurred that have not yet been paid. Accruals for income and expenditure have been principally based on known values. Where accruals have been estimated, the latest available information has been used. Review of the financial ledger line by line for variances.	No
Credit loss and impairment allowances	Review of all assets undertaken annually to assess whether there is any indication that an asset may be impaired.	See left	Discussion with the Council's Assets team	Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.	No



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Report to: **Audit Committee**

Date: **6 April 2021**

Title: **Update on Progress on the 2020-21 Internal Audit Plan**

Portfolio Area: **Support Services – Cllr C Edmonds**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:

Author: **Dominic Measures** Role: **Audit Manager**  
**Robert Hutchins** **Head of Partnership**

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**Recommendations:**

**It is recommended that:**

1. The progress made against the 2020/21 internal audit plan, and any key issues arising are noted and approved.

## **1. Executive summary**

The purpose of this report is to inform members of the principal activities and findings of the Council's Internal Audit team for 2020/21 to 19<sup>th</sup> March 2021, by:

- Showing the progress made by Internal Audit against the 2020/21 annual internal audit plan, as approved by Full Council in April 2020; and
- Highlighting any revisions to the 2020/21 internal audit plan;

## **2. Background**

The Audit Committee, under its Terms of Reference contained in West Devon Council's Constitution, is required to consider the Chief Internal Auditor's audit reports, to monitor and review the internal audit programme and findings, and to monitor the progress and performance of Internal Audit.

The Accounts and Audit (Amendment) (England) Regulations 2015 require that all Authorities need to carry out an annual review of the effectiveness of their internal audit system, and need to incorporate the results of that review into their Annual Governance Statement (AGS), published with the annual Statement of Accounts.

The Internal Audit plan for 2020/21 was originally due to be presented to the Audit Committee in March 2020. However, due to the COVID-19 pandemic, the meeting was cancelled and the plan was subsequently presented and approved by Full Council on 28th April 2020.

Progress in the period up to 19<sup>th</sup> March 2021 has been impacted by the pandemic with Internal Audit resources used to assist officers in the payment of various grants to businesses, in particular the evaluation/reviewing of applications. Out of 405 productive days so far by the audit team, 165 days have been spent on COVID related work with one of the audit officers continuing to assist with the processing of business grants. As reported in the last progress report, the diverting of audit resources meant a delay in commencing the 2020/21 plan and a subsequent review of the plan identified which audits should go ahead in the remainder of the audit year and those that could be either cancelled or deferred into 2021/22.

I am pleased to inform the Committee that there have been no days reported sickness absence in the year to date.

## **3. Outcomes/outputs**

In carrying out systems and other reviews, Internal Audit assess whether key, and other controls are operating satisfactorily within the area under review, and an opinion on the adequacy of controls is provided to management as part of the audit report.

All final audit reports include an action plan which identifies responsible officers, and target dates to any address control issues or recommendations for efficiencies identified during each review. Implementation of action plans are reviewed during subsequent audits or as part of a specific follow-up process.

As already pointed out, progress against the agreed 2020/21 Internal Audit Plan has been greatly impacted by the COVID-19 pandemic with the Internal Audit resources diverted onto "response" tasks, especially in the first quarter of the year.

However, during the summer, as well as completing those audits that remained from the 2019/20 plan, some work commenced on new audits, a number of which have been completed, with draft and final reports issued. For other audits, fieldwork has been completed and draft reports issued and we await responses from management on the content of those reports and the recommendations made. Several audits were planned for the final quarter, and work on the majority of these reviews is progressing. A summary of progress is attached at **Appendix A**, and this provides the detailed position for each audit as at 19<sup>th</sup> March 2021.

Overall, and based on work performed to date during 2020/21, Internal Audit is able to provide **reasonable assurance** on the adequacy and effectiveness of the Authority’s internal control environment. Risk management and the system of internal control are generally sound and designed to meet the organisation’s objectives. However, some weaknesses in design and / or inconsistent application of controls do not mitigate all risks identified, putting the achievement of particular objectives at risk.

The reporting of individual high and medium priority recommendations is set out at **Appendix B**. This is an ongoing part of the report to advise the Audit Committee, in detail, of significant findings since the last report and confirm that the agreed action has been implemented or what progress has been made.

**Appendix C** provides a summary of work where the planned work is complete but no audit report produced. This includes information with regards Non-Compliance with Contract or Financial Procedure Rules, and Fraud / Irregularity issues reported to Internal Audit during the reporting period.

#### **4. Options available and consideration of risk**

No alternative operation has been considered as the failure to maintain an adequate and effective system of internal audit would contravene the Accounts and Audit Regulations, 2003, 2006, 2011 and 2015.

#### **5. Proposed Way Forward**

We continue to be flexible in our approach and with the timetabling of audits to ensure that resources are assigned to specific areas of the plan to enable our work to be delivered at the most effective time for the organisation.

#### **6. Implications**

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Accounts and Audit Regulations 2015 issued by the Secretary of State require every local authority to undertake an effective internal audit

		<p>to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards.</p> <p>The work of the internal audit service assists the Council in maintaining high standards of public accountability and probity in the use of public funds. The service has a role in promoting robust service planning, performance monitoring and review throughout the organisation, together with ensuring compliance with the Council's statutory obligations.</p>
Financial	Y	There are no additional or new financial implications arising from this report. The cost of the internal audit team is in line with budget expectations.
Risk	Y	The work of the internal audit service is an intrinsic element of the Council's overall corporate governance, risk management and internal control framework.
Supporting Corporate Strategy	Y	This Progress Report and the work of Internal; Audit supports all six of the Corporate Themes of Council, Homes, Enterprise, Communities, Environment and Wellbeing.
Climate Change – Carbon / Biodiversity Impact	Y	<p>None directly arising from this report. However, the Internal Audit function, managed by Devon Audit Partnership is very mindful of the need to minimise travel in completing the internal audit plan. Where possible, desk-top review of documents, and the use of electronic records, is used to obtain evidence to support the audit process, although it is inevitable that on-site verification may be required at times.</p> <p>The team use an audit management system (Mki) which enables managerial review to take place remotely, thus also saving on the need for travel.</p>
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	There are no specific equality and diversity issues arising from this report.
Safeguarding	N	There are no specific safeguarding issues arising from this report.
Community Safety, Crime and Disorder	N	There are no specific community safety, crime and disorder issues arising from this report.
Health, Safety and Wellbeing	N	There are no specific health, safety and wellbeing issues arising from this report.
Other implications	N	There are no other specific implications arising from this report.

## **Supporting Information**

### **Appendices:**

There are three separate appendices to this report; Appendix A, B, and C.

### **Background Papers:**

Annual Internal Audit Plan 2020/21 as approved by Full Council on 28 April 2020.

### **Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed	<b>Yes</b>
SLT Rep briefed	<b>Yes</b>
Relevant Exec Director sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	<b>N/A</b>

Summary of progress against agreed internal audit plan 2020/21 for **West Devon Borough Council & South Hams District Council**

Projects agreed in the Audit Plan	Planned Number of Days	Fieldwork started	Report Issued in draft	Management comments received	Final Report Issued	Opinion				Comments
						High Standard	Good Standard	Improvements Required	Fundamental Weaknesses	
<b>Work Carried forward from 2019/20</b>										
Housing Benefit 19/20	20	■	■	■	■		■			Summary presented to Audit Committee in February 2021
Treasury Management 19/20		■	■	■	■	■				Summary presented to Audit Committee in February 2021
Debtors 19/20		■	■	■	■		■			Summary presented to Audit Committee in February 2021
Creditors 19/20		■	■	■	■		■			Summary presented to Audit Committee in February 2021
Payroll 19/20		■	■	■	■		■			Summary presented to Audit Committee in February 2021
Employment / Recruitment Checks / Leavers Process 19/20		■	■	■	■			■		Summary presented to Audit Committee in February 2021
Contract Management 19/20		■	■	■	■			■		Summary presented to Audit Committee in February 2021
Grounds Maintenance Operations – Follow Up 19/20		■	■	■	■		■			Summary presented to Audit Committee in February 2021



■ Status as reported in previous Progress Reports    ✓ Change to Status between 8 January and 19 March 2021    **Appendix A**

Projects agreed in the Audit Plan	Planned Number of Days	Fieldwork started	Report Issued in draft	Management comments received	Final Report Issued	Assurance Opinion				Comments
						Substantial	Reasonable	Limited	No	
<b>2020/21 Plan</b>										
<b>MAIN FINANCIAL SYSTEMS</b>										
Main Accounting System (inc budgetary control)	15	■	✓							
Creditor (Payments)	15	✓	✓							
Debtors (Income Collection)	15									
Payroll	15	■	✓							
Business Rates	15	■								
Council Tax	15	■								
Housing Benefits	15	✓								
Treasury Management	8	■	■	■	■	■				Summary presented to Audit Committee in February 2021
<b>Main Financial Systems</b>	<b>113</b>									

Projects agreed in the Audit Plan	Planned Number of Days	Fieldwork started	Report Issued in draft	Management comments received	Final Report Issued	Assurance Opinion				Comments
						Substantial	Reasonable	Limited	No	
<b>PLACE &amp; ENTERPRISE</b>										
Community Housing Programme	10	✓	✓							
Salcombe Whitestrand Project	5	■	■	■	■		■			Summary presented to Audit Committee in February 2021
Commercial Property & Rents Follow Up	5									Propose to Defer until 2021/22
Salcombe Harbour (S.Hams)	10									Propose to Defer until 2021/22
Env Services – Coastal Work (S. Hams)	8	■	■	■	■		■			Summary presented to Audit Committee in February 2021
Dartmouth Lower Ferry (S.Hams)	5									Propose to Defer until 2021/22
<b>Place &amp; Enterprise</b>	<b>43</b>									

Projects agreed in the Audit Plan	Planned Number of Days	Fieldwork started	Report Issued in draft	Management comments received	Final Report Issued	Assurance Opinion				Comments
						Substantial	Reasonable	Limited	No	
<b>CUSTOMER SERVICE &amp; DELIVERY</b>										
ICT Audit – Installation and Healthcheck	23	■	■	✓	✓		✓			Final report issued. Extract provided at Appendix B..
ICT Audit – Incident and Problem Management										Propose to Defer until 2021/22
ICT Audit – Access Management		■	■							
Locality Officers – Management, roles & scheduling	15									Propose to Defer until 2021/22
Development Control – Planning Enforcement	15	■	■							
Building Maintenance – Works Scheduling	10	■	■	■	■			■		Summary presented to Audit Committee in February 2021
Safeguarding	5	■	■	■	■		■			Summary presented to Audit Committee in February 2021
HR - Absence Management	5	■	■	■	■	■				Summary presented to Audit Committee in February 2021

■ Status as reported in previous Progress Reports    ✓ Change to Status between 8 January and 19 March 2021    **Appendix A**

Projects agreed in the Audit Plan	Planned Number of Days	Fieldwork started	Issued in draft	Management comments received	Final	Assurance Opinion				Comments
						Substantial	Reasonable	Limited	No	
<b>CUSTOMER SERVICE &amp; DELIVERY Contd.</b>										
Capital Expenditure and Receipts Follow-Up	3	■	■	■	■		■			Summary presented to Audit Committee in February 2021
Cash Collection & Online Payments	5									Propose to Defer until 2021/22
Insurance – Review of Cover Follow-Up	3	■	■	✓	✓			✓		Final report issued. Extract provided at Appendix B..
Health & Safety Further Follow-Up	3	■	■	■	■		■			Summary presented to Audit Committee in February 2021
<b>Customer Service &amp; Delivery</b>	<b>87</b>									

Projects agreed in the Audit Plan	Planned Number of Days	Fieldwork started	Report Issued in draft	Management comments received	Final Report Issued	Assurance Opinion				Comments	
						Substantial	Reasonable	Limited	No		
<b>GOVERNANCE &amp; ASSURANCE</b>											
Project Management – Governance and Process (deferred from 19/20)	20										Propose to Defer until 2021/22
Project Management – Civica W360 Replacement	15	■									Propose to Defer major part of the audit until 2021/22 once the new system is embedded
Contract Management – Leisure Management & Waste Collection and Street Cleansing Contract	15										Propose to Defer until 2021/22
Corporate Information Management (Data Protection, Filing System Housekeeping)	12	■									
Change Control – Business Processes (deferred from 19/20)	10										Propose to Defer until 2021/22
Climate Change – Governance and Strategy	5	■	■	■	■			■			Summary presented to Audit Committee in February 2021
Risk Management Review (deferred from 19/20)	10										Propose to Defer until 2021/22
Performance Management (Data quality)	5	■	■	■	■			■			Summary presented to Audit Committee in February 2021
<b>Governance &amp; Assurance</b>	<b>92</b>										

Projects agreed in the Audit Plan	Planned Number of Days	Fieldwork started	Report Issued in draft	Management comments received	Final Report Issued	Assurance Opinion				Comments
						Substantial	Reasonable	Limited	No	
<b>OTHER ESSENTIAL ITEMS</b>										
Audit Management including:- - Audit planning, - Monitoring & reporting, - Audit Committee	28	■	-	-	-	-	-	-	-	Includes attendance at Audit Committee – Internal Audit Annual Report presented to Audit Committee on 25th June 2020,
Annual Governance Statement	2	-	-	-	-	-	-	-	-	Review of the Code of Corporate Governance presented to July & October 2020 Audit Committees under separate cover
Exemptions from Financial Regulations	5	■								
Grants - Greater Dartmoor Local Enterprise Action Fund (LEAF) & South Devon Coastal Action Group (LAG)	30	■	-	-	-	-	-	-	-	18 days spent on claims to date.
National Fraud Initiative (NFI)	5	■								
Contingency & Advice	5	■	-	-	-	-	-	-	-	
<b>OTHER ESSENTIAL ITEMS</b>	<b>95</b>									
<b>TOTAL DAYS</b>	<b>430</b>									

## Summary of Internal Audit Findings 2020/21 – Final Reports

As at 19 March 2021, 12 final reports have been issued in respect of 2020/21 work with a further eight final reports relating to audits that were part of the previous 2019/20 Audit Plan. The conclusions from final reports issued since the last Audit Committee in February, are summarised below.

Subject	Audit Findings	Management Response
<b>2020/21 Audit Plan</b>		
ICT Audit – Installation and Healthcheck 2020/21	<p><b>Reasonable Assurance</b></p> <p>The review found that, for most of the sub-systems considered as part of this audit, controls were in place and operating. In the case of contract management, there was scope for controls to be improved and strengthened. However, reliance has been placed on the 2019/20 Contract Management audit, which included a review of ICT contracts, about which recommendations have been made and not repeated within this report.</p> <p>There were a small number of recommendations outstanding from the previous ICT Healthcheck audit of 2017/18, where revised controls still do not appear to be operating satisfactorily and which have been considered again as part of this year's audit. In addition, several matters have not been followed up as part of this review, with reliance instead being placed on the planned 2020/21 Corporate Information Management audit.</p> <p>For some of the issues we have previously raised, the ICT Practice have put procedures in place, but reliance is on other officers, outside of the ICT team, to follow these. Where this has not always been done, we have repeated our recommendations, for example, in relation to:</p> <ol style="list-style-type: none"> <li>1. The authorisation of ICT orders which should be restricted to Head of IT Practice and his deputy, the Senior Specialist - ICT Infrastructure.</li> <li>2. Agency leaver reports – Until such time as HR and ICT Leavers forms can be made available on the new NetCall system, the HR team should be issuing an agency leavers report to the Customer Support</li> </ol>	<ol style="list-style-type: none"> <li>1. Agreed. This issue has improved. Two officers, other than the Head of ICT Practice and his deputy, were identified as having authorised orders for ICT goods and services. One has since left the Councils' employment and the other has been reminded of the policy regarding authorising orders.</li> <li>2. Agreed. A reminder will be issued asking for Agency Leaver reports to be issued to the Customer Support team monthly.</li> <li>3. Agreed. The Service Desk now have a process to use UPS couriers to collect equipment from employee's homes where it is too far for a Locality Officer to make the collection.</li> </ol> <p>Where an ex-employee is failing to communicate, a request has been made for an invoice to be issued.</p>

Subject	Audit Findings	Management Response
	<p>team on a regular basis.</p> <p>3. Recovery of ICT equipment – It is noted that, as a result of the COVID-19 pandemic, there were difficulties recovering ICT equipment from those who had left the Councils. Options such as Localities Officers collecting from an officer’s home or sending a courier have been considered. In some cases, repeated efforts to contact the individuals have failed and ICT equipment has not been returned.</p>	
<p>Insurance – Review of Cover Follow-Up 2020/21</p>	<p><b>Original Opinion 2019/20 Review - Limited Assurance</b></p> <p><b>Latest Opinion – Limited Assurance</b></p> <p>Following the completion of our follow up work, our audit opinion remains one of <b>Limited Assurance</b> as a significant number of higher priority recommendations remain outstanding, largely due to the impact of the Covid-19 pandemic.</p> <p>The insurance cover held by the Councils appears to be largely in line with that recommended by insurance providers, including the Local Government Mutual who may be considered to be unbiased as not seeking to make a commercial return. There is some degree of review of the level of insurance cover each year, as well as those items and activities insured. There is nothing to suggest that the Councils are under-insured, indeed it is more likely that they are over-insured.</p> <p>Last year we made several recommendations, which may contribute to the more effective management of insurance. Those relating to the administrative aspects of the annual renewal process were implemented. However, those relating to the Councils' overall approach to insurance remain outstanding, principally due to other work pressures resulting from the Covid-19 pandemic.</p> <p>We understand that it is still intended to act on the recommendations made, but that the target dates have had to be reconsidered. Those outstanding include:</p>	<ol style="list-style-type: none"> <li>1. Agreed. It has not been possible to progress the planned review due to the Covid-19 pandemic and the additional work pressures this has created on the relevant staff.</li> </ol> <p>An insurance action plan is to be drawn up, which will inform the Councils’ approach to insurance. After this has been done, it is intended to explore options and review levels of cover with both the existing insurance broker and the Local Government Mutual (LGM) in the first instance.</p> <ol style="list-style-type: none"> <li>2. Agreed. As part of any external advice, the appropriateness of cover will be examined.</li> </ol> <p>It is still intended to explore the option of cyber insurance, with application forms to be requested from the insurance broker.</p> <p>With regard ‘documents in transit’, WDBC have higher cover as they were couriered around more frequently, from Kilworthy to Follaton for example. The on-going need for such cover will be reviewed in time for the next annual renewal, particularly in light of increased electronic working.</p> <ol style="list-style-type: none"> <li>3. Agreed. See Point 2 above.</li> <li>4. Agreed. There is a link between risk management and insurance, but it would be beneficial for this to be</li> </ol>



Subject	Audit Findings	Management Response
	<ol style="list-style-type: none"> <li>1. Seeking impartial external advice to make a review of the Councils' insurance arrangements,</li> <li>2. Ensuring that only appropriate activities or services are covered as required,</li> <li>3. Ensuring that the value of each type of insurance cover is appropriate and only to the level required,</li> <li>4. Strengthening the links to the risk management process, to ensure that insurance cover is considered for all new or changed risks,</li> <li>5. Consideration of alternative external insurance providers, other than commercial organisations, as well as self-insurance for some risks, and</li> <li>6. Putting an insurance strategy in place, which sets out the Councils' approach to external and self- insurance, as well as links to the risk management process.</li> </ol>	<p>formalised as part of the planned review of the approach to risk management.</p> <p>At present, both the Director of Governance and Assurance and the Head of Strategy and Projects have an overview of service provision and associated risks and they are confident that any major concerns would be identified. In addition, the Programme Board has recently been re-introduced, providing further monitoring of projects and their risks.</p> <ol style="list-style-type: none"> <li>5. Agreed. Initial discussions were held with the Local Government Mutual (LGM), but these were brought to an end by the Covid-19 pandemic. Any future insurance action plan will inform the Councils' approach to insurance, after which the conversation with LGM can be recommenced, based on the insurance requirements identified.</li> </ol> <p>If some risks are self-insured, an appropriate Insurance Earmarked Reserve at an appropriate level will be recommended to Council for approval, with appropriate annual revenue contributions into the Reserve being approved as part of the annual revenue budget setting process.</p> <ol style="list-style-type: none"> <li>6. Agreed. The Head of Strategy and Projects is to produce an insurance action plan for the Councils.</li> </ol>

## Planned Audit 2020/21 – Work Complete (No Audit Report)

Subject	Comments
<p><b>System of Internal Control (SIC), and Annual Governance Statement (AGS)</b></p>	<p>Included within the Internal Audit Annual Report presented to the June Audit Committee was the internal audit opinion providing assurance that the Council's systems contain a satisfactory level of internal control.</p> <p>In addition, there is a requirement for the Council to prepare an AGS statement. Internal Audit provided support and challenge, as appropriate, to the Senior Leadership Team as they drafted the statement in respect of the 2019/20 financial year.</p> <p>The S151 Officer presented the 2019/20 AGS to the Audit Committee on 21 July &amp; 13 October 2020.</p>
<p><b>Exemptions to Financial Procedure Rules</b></p>	<p>Three applications for Contract / Financial Procedure Rules have been received in the year to date, two were accepted whilst one was subsequently cancelled.</p>
<p><b>Fraud / Irregularity</b></p>	<p>There have been no irregularities to report.</p>

Report to: **Audit Committee**  
Date: **6 April 2021**  
Title: **2021/22 Internal Audit Plan**  
Portfolio Area: **Support Services – Cllr C Edmonds**  
Wards Affected: **All**  
Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:

Author: **Dominic Measures** Role: **Audit Manager**  
**Robert Hutchins** **Head of Partnership**

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[Robert.hutchins@swdevon.gov.uk](mailto:Robert.hutchins@swdevon.gov.uk) 01392 383000

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**Recommendations:**

**It is recommended that:**

- 1. The report be approved, and**
- 2. The proposed Internal Audit Plan for 2021/22 at Appendix A be approved.**

**1. Executive summary**

- 1.1 The purpose of this report is to provide Members with the opportunity to review and comment upon the proposed internal audit plan for 2021/22.
- 1.2 Whilst West Devon Borough Council and South Hams District Council operate as two unique councils, services are delivered by one integrated organisation; to reflect that shared services working arrangement, the 2021/22 audit plan is now presented as one combined plan. Where there are risks or issues that relate specifically

to one council and not the other, the audit plan will be varied to include those areas of work as appropriate.

- 1.3 The report provides information on the legislative requirement for local authorities to provide an Internal Audit (IA) service in accordance with the Accounts and Audit Regulations and Public Sector Internal Audit Standards; the need for an annual risk-based IA plan to be prepared; and the methodology of identifying the audit needs for the Authority.
- 1.4 The 2021/22 audit plan sets out the proposed audit resource allocated to each audit area, although the plan needs to remain flexible to be able to respond to any changing risks and priorities of the Authority given the significant changes across the public sector.

## **2. Background**

- 2.1 All principal Local Authorities, including West Devon Borough Council, are subject to the Accounts and Audit (England) Regulations 2015, which state:

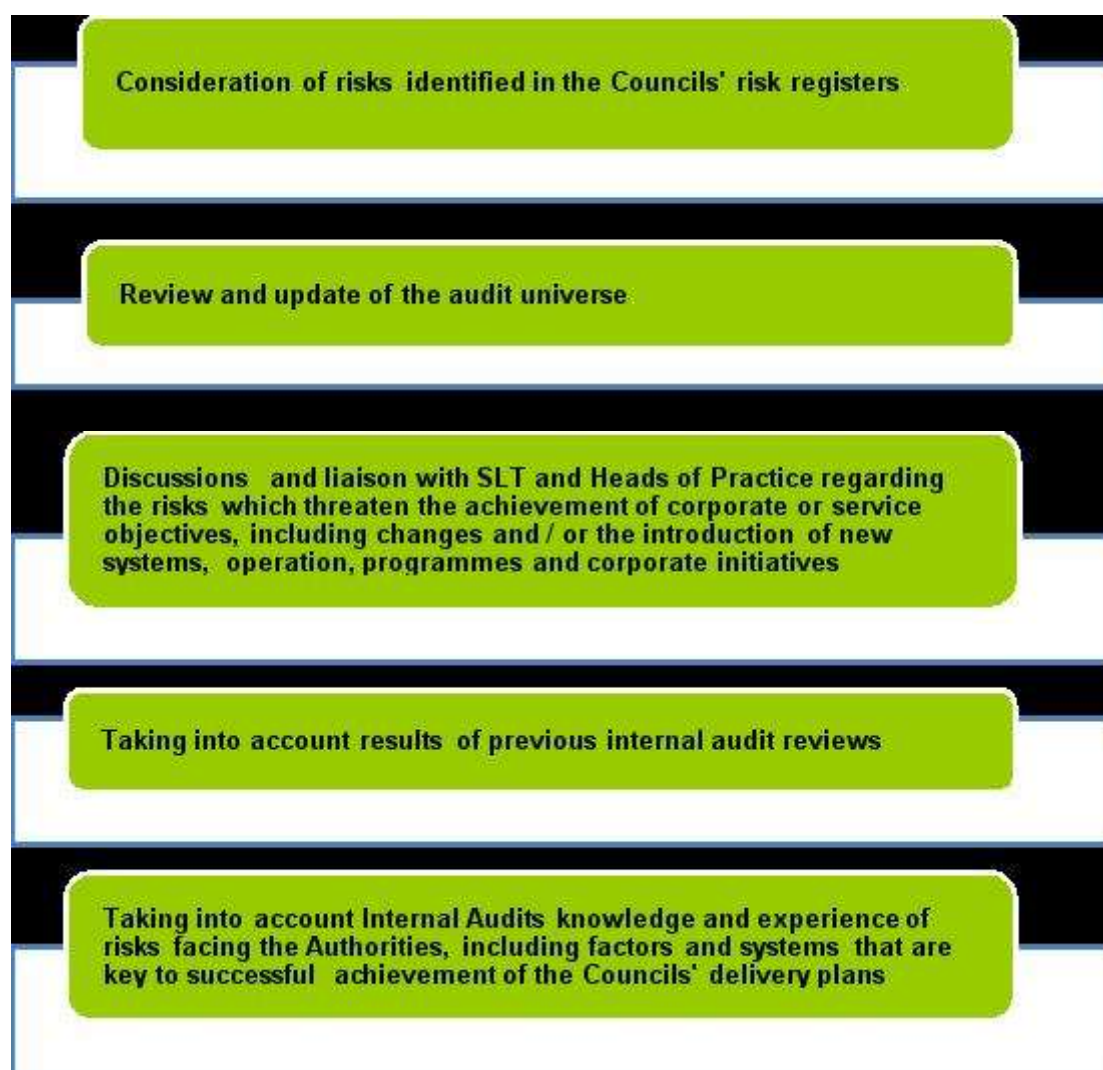
“A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.

- 2.2 The Public Sector Internal Audit Standards require that the Head of Internal Audit must “establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals”. When completing these plans, the Head of Internal Audit should take account of the organisation’s risk management framework. The plan should be adjusted and reviewed, as necessary, in response to changes in the organisation’s business, risk, operations, programs, systems and controls. The plan must take account of the requirement to produce an internal audit opinion and assurance framework.
- 2.3 This audit plan has been drawn up, therefore, to enable an opinion to be provided at the end of the year in accordance with the above requirements.

## **3. Outcomes/outputs**

- 3.1 We employ a risk-based priority audit planning tool to identify those areas where audit resources can be most usefully targeted. This involves scoring a range of systems, services and functions across the both West Devon Borough Council and South Hams District Council, known as the “Audit Universe” using a number of factors/criteria. The final score, or risk factor, for each area determines an initial schedule of priorities for audit attention.

The audit plan for 2021/22 has been created by:

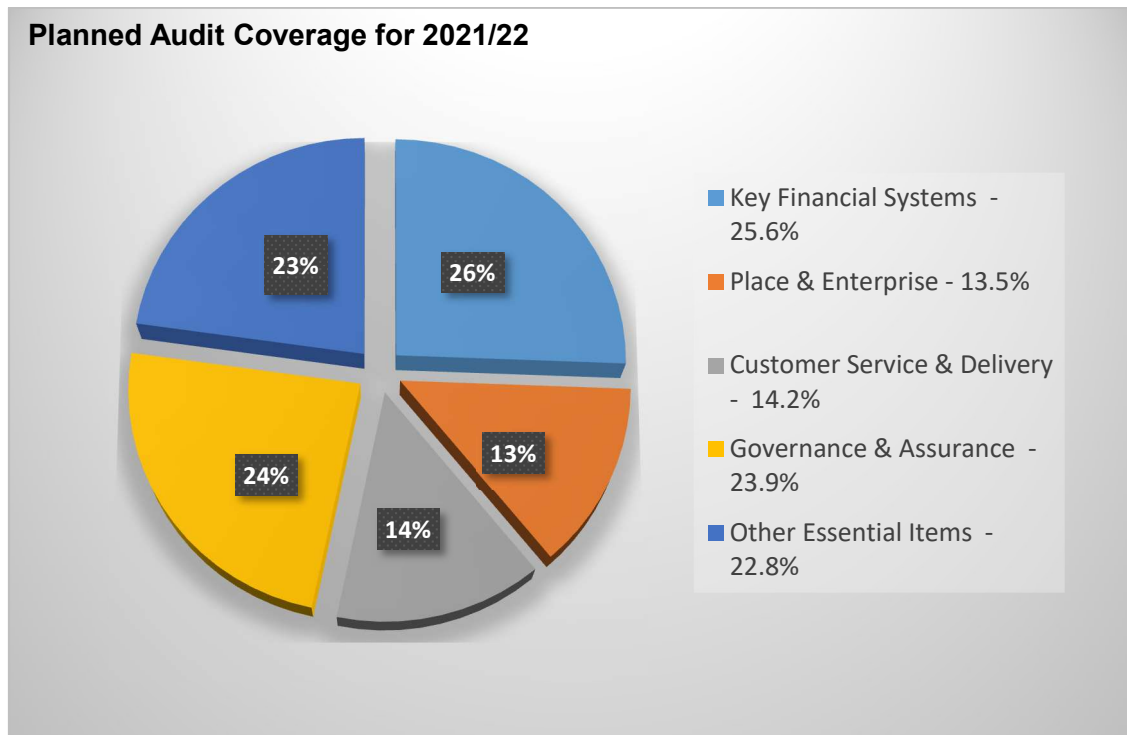


- 3.2 The overall percentage of internal audit coverage proposed for each area of the audit plan is represented in the chart at figure 1 below. The combined planned audit coverage for 2021/22 totals 430 days, the same as in previous years, see Appendix A for the proposed detailed plan. It should be borne in mind that, in accordance with the Public Sector Internal Audit Standards, the plan needs to remain flexible to be able to respond to the changing risks and priorities of the Authority with any changes reported back to this Committee. To provide for some flexibility, the Internal Audit Plan includes a small contingency to allow for unplanned work.
- 3.3 The COVID-19 pandemic impacted on Internal Audit's work during 2020/21, with Internal Audit resources used to assist officers in the payment of various grants to businesses, in particular the evaluation/reviewing of applications. As a result, several audits due to undertaken in 2020/21 have been delayed and now appear in the proposed plan for 2021/22. In addition, the proposed plan recognises

the need for increased assurance that controls are effective following the Covid-19 emergency.

3.4 The overall percentage of internal audit coverage proposed for each area of the audit plan is represented in the chart at figure 1 below.

**Figure 1**



#### **4. Options available and consideration of risk**

4.1 No alternative approach has been considered as the failure to develop a risk-based plan to determine the priorities of internal audit activity which is consistent with the priorities of the organisation would be in contravention of the Public Sector Internal Audit Standards and the Accounts and Audit Regulations 2015.

#### **5. Proposed Way Forward**

5.1 We will be flexible in our approach to ensure that the audit plan continues to reflect the changing risks and corporate priorities of the Council with the timetabling of audits agreed with management to ensure our work is delivered at the most effective time for the organisation.

## 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>The Accounts and Audit Regulations 2015 issued by the Secretary of State require every local authority to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards.</p> <p>The work of the internal audit service assists the Council in maintaining high standards of public accountability and probity in the use of public funds. The service has a role in promoting robust service planning, performance monitoring and review throughout the organisation, together with ensuring compliance with the Council's statutory obligations.</p>
Financial	Y	There are no additional or new financial implications arising from this report. The cost of the internal audit team is in line with budget expectations.
Risk	Y	The work of the internal audit service is an intrinsic element of the Council's overall corporate governance, risk management and internal control framework.
<b>Supporting Corporate Strategy</b>		
Climate Change – Carbon / Biodiversity Impact	Y	<p>None directly arising from this report. However, the Internal Audit function, managed by Devon Audit Partnership is very mindful of the need to minimise travel in completing the internal audit plan. Where possible, desk-top review of documents, and the use of electronic records, is used to obtain evidence to support the audit process, although it is inevitable that on-site verification may be required at times.</p> <p>The team use an audit management system (Mki) which enables managerial review to take place remotely, thus also saving on the need for travel.</p>
<b>Comprehensive Impact Assessment Implications</b>		

Equality and Diversity	N	There are no specific equality and diversity issues arising from this report.
Safeguarding	N	There are no specific safeguarding issues arising from this report.
Community Safety, Crime and Disorder	N	There are no specific community safety, crime and disorder issues arising from this report.
Health, Safety and Wellbeing	N	There are no specific health, safety and wellbeing issues arising from this report.
Other implications	N	There are no other specific implications arising from this report.

### **Supporting Information**

#### **Appendices:**

There are no separate appendices to this report.

#### **Background Papers:**

None.

### **Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed	<b>Yes</b>
SLT Rep briefed	<b>Yes</b>
Relevant Exec Director sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
If exempt information, public (part 1) report also drafted. (Cabinet/Scrutiny)	<b>N/A</b>



## Appendix A

<b>Proposed 2021/22 Combined Audit Plan for West Devon Borough Council &amp; South Hams District Council</b>		
<b>KEY FINANCIAL SYSTEMS</b>	Priority / Risk	Days
Main Accounting System (inc budgetary control)	H	15
Payroll	H	15
Creditor (Payments)	M	15
Debtors (Income Collection)	M	15
Business Rates	M	15
Council Tax	M	15
Housing Benefits	M	15
Treasury Management	L	5
<b>KEY FINANCIAL SYSTEMS</b>		<b>110</b>
<b>PLACE &amp; ENTERPRISE</b>	Priority / Risk	Days
Community Housing Programme <i>deferred from 2020-21</i>	H	10
Commercial Property & Rents Follow Up <i>deferred from 2020-21</i>	H	5
Salcombe Harbour (S.Hams) <i>deferred from 2020-21</i>	M	10
Dartmouth Lower Ferry (S.Hams) <i>deferred from 2020-21</i>	M	5
COVID-19 – Business Grants – Post Scheme Assurance	H	13
Commercial Investment Strategy – (delegations, mgt of risk, project approach)	H	15
<b>PLACE &amp; ENTERPRISE</b>		<b>58</b>
<b>CUSTOMER SERVICE &amp; DELIVERY</b>	Priority/Risk	Days
ICT Audit (areas to be identified)	H	23
Locality Officers – Management, roles & scheduling <i>deferred from 2020-21</i> (Review implementation of new service)	H	15
Cash Collection & Online Payments <i>deferred from 2020-21</i>	M	5
Building Maintenance – Works Scheduling – Follow-Up	H	3
Response and Recovery to COVID-19	H	15
<b>CUSTOMER SERVICE &amp; DELIVERY</b>		<b>61</b>

<b>GOVERNANCE &amp; ASSURANCE</b>	Priority/Risk	Days
Project Management – Governance and Process <b>deferred from 2020-21</b>	H	15
Contract Management – Leisure Management & Waste Collection and Street Cleansing Contract <b>deferred from 2020-21</b>	H	15
Change Control – Business Processes <b>deferred from 2020-21</b>	H	10
Risk Management Review - <b>deferred from 2020-21</b>	M	10
Performance Management (Data quality) Follow Up	M	3
Future IT Project	H	15
Corporate Information Management - Data Retention, Filing System Housekeeping	H	10
Climate Change	H	5
Election Teams	M	10
New Payroll/HR system (Procurement, Project Mgt)	H	10
<b>GOVERNANCE &amp; ASSURANCE</b>		<b>103</b>
<b>OTHER ESSENTIAL ITEMS</b>		
Completion of 2020-21 Audit Plan		20
Audit Management including:- - Audit planning, - Monitoring & reporting, - Audit Committee		28
Annual Governance Statement		2
Exemptions from Financial Regulations		5
Grants – LEAF and LAG – extension to end of 2021		20
National Fraud Initiative (NFI) – Data Matching		5
Contingency & Advice		18
<b>OTHER ESSENTIAL ITEMS</b>		<b>98</b>
<b>TOTAL AUDIT PLAN</b>		
		<b>430</b>

Report to: **Audit Committee**  
Date: **6<sup>th</sup> April 2021**  
Title: **Shared Services Methodology 2020/21**  
Portfolio Area: **Performance & Resources –  
Cllr Chris Edmonds**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Author: **Pauline Henstock** Role: **Head of Finance Practice**

Contact: **Email: [pauline.henstock@swdevon.gov.uk](mailto:pauline.henstock@swdevon.gov.uk)**

**Tel: 01803 861377**

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## **Recommendation:**

- 1. That the Audit Committee notes the methodology of the shared services apportionment of costs between West Devon Borough Council and South Hams District Council for 2020/21, as attached in Appendix A.**

## **1. Executive summary**

- 1.1** The methodology for the apportionment of costs (predominantly staffing costs) between West Devon Borough Council and South Hams District Council is set out in the attached Appendix. The staffing costs of a particular service team are split on a defined basis as set out. The split of costs reflects the level of caseload which is attributable to each Council's individual service.

## 2. Background

- 2.1 This report is the annual report to the Audit Committee which sets out the methodology and mechanisms that are being used to calculate the cost allocations between the two Councils.
- 2.2 West Devon Borough Council and South Hams District Council have been shared service partners since 2007. The Councils have a shared non-manual workforce.
- 2.3 Appendix A sets out the methodology and the percentage on which staff costs and other related costs for each service are split between West Devon Borough Council and South Hams District Council. The caseload statistics are the actual caseloads for each service mainly for the period April 2020 to the end of December 2020 (9 months).
- 2.4 The final actual shared services split formulae have only been adjusted if they exceed a tolerance level of 3% from the original estimate of the shared services split. Anything where the difference between the actual and the estimate is 3% or below has not been changed.

## 3. Outcomes/outputs

- 3.1 The most significant areas of change relate to:
  - (a) **Waste** – the individual staffing allocations of this service have been reviewed to reflect the additional work created by the implementation of the Devon Aligned Service in South Hams. There are specific splits for each individual post and the movement in time allocations has reduced the salary recharge to West Devon by £23,700 for 2020/21.
  - (b) **Extended Leadership Team** - the majority of the Extended Leadership Team allocations have remained the same for 2020/21 (mainly 50%/50% or 60%/40% South Hams/West Devon). However, the time allocation for the Head of Commissioning and Contracts has been revised as a one off for 2020/21 from 60%/40% to 80%/20% South Hams/West Devon, to reflect the additional work created by the implementation of the Devon Aligned Service for waste in South Hams. This has resulted in a reduction to the salary recharge to West Devon of £14,200 in 2020/21.

(c) **Internal Audit** – the shared services split for 2020/21 has been revised from 66%:34% to 62%:38% based on a review of productive time. This will increase the salary recharge to West Devon by £8,600.

(d) **Planning Enforcement** – the shared services split has moved from 79%:21% to 75%:25% based on the number of planning enforcement cases in each Authority increasing the recharge to West Devon by £1,800 in 2020/21.

**3.2** Most service areas remain unchanged or below the tolerance level set at 3%. Details of all the allocations and the methodologies used are set out in Appendix A.

#### **4. Options available and consideration of risk**

**4.1** Our external auditors, Grant Thornton have identified the sharing of costs between West Devon Borough Council and South Hams District Council as a key risk area. In their annual report to the Audit Committee in October 2020, they stated that they have reviewed the basis of allocations to ensure they are reasonable and appropriate, considered any changes from the prior year basis, tested the calculations of transferred costs, and confirmed that their work had not identified any issues with the allocation of shared costs for 2019/20.

#### **5. Proposed Way Forward**

**5.1** Shared service allocations and the methodologies used are reviewed on an annual basis. Further reports will be brought to the Audit Committee.

#### **6. Implications**

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Council is legally required to maintain adequate governance and financial arrangements to ensure a fair allocation of shared costs is absorbed by each individual Council.

Financial implications to include reference to value for money	Y	The review of shared services splits will reduce the staffing costs (salary recharge) for West Devon by £27,500 in 2020/21 which equates to less than 0.7% of the Council's total salary budget.  This mainly reflects the implementation of the Devon Aligned Service (waste service change) in the South Hams.
Risk	Y	The allocation of shared costs was identified by Grant Thornton as one of the key financial statement audit risks, their final report for 2019/20 concluded that 'no issues were identified.' Grant Thornton will continue to carry out testing on the 2020/21 shared services allocations as part of the Final Accounts Audit.
Supporting Corporate Strategy		The apportionment of shared service costs supports all six of the Corporate Strategy Themes of Council, Homes, Enterprise, Communities, Environment and Wellbeing.
Climate Change – Carbon / Biodiversity Impact		None directly arising from this report.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	None directly arising from this report.
Safeguarding	N	None directly arising from this report.
Community Safety, Crime and Disorder	N	None directly arising from this report.
Health, Safety and Wellbeing	N	None directly arising from this report.
Other implications	N	None directly arising from this report.

### **Appendices**

Appendix A – List of shared service apportionments for 2020/21

**Shared Services Allocations of costs for the Financial Year 2020/2021**

**Appendix A**

<b>Service Area</b>	<b>Allocation of South Hams District Council (SHDC) to West Devon Borough Council (WDBC)</b>	<b>Basis of the apportionment of costs between SHDC and WDBC</b>	<b>Caseload Information which has informed the shared services apportionment</b>
<b>Governance &amp; Assurance</b>			
Leisure	67%/33%	Number of Leisure Centres	South Hams - 4 West Devon – 2
Waste (see note 1 below)	80%/20%, 95%/5% 90%/10% 50%/50%	Dependent on specific activity. Some of the percentages have a lower allocation to WDBC this year than normal, due to the implementation of Devon Aligned Service in South Hams. This is expected to change back in 2021/22 with a higher allocation to West Devon.	Each role is assessed individually
Communications & Media	50%/50%	Time allocation	N/A
Member Services	50%/50%	Equal due to the nature of the work	N/A

<b>Service Area</b>	<b>Allocation of South Hams District Council (SHDC) to West Devon Borough Council (WDBC)</b>	<b>Basis of the apportionment of costs between SHDC and WDBC</b>	<b>Caseload Information which has informed the shared services apportionment</b>
<b>Customer Service &amp; Delivery</b>			
Customer Contact Centre	66%/34% *	Number of calls to the Customer Contact Centre April 2020 – Dec 2020	South Hams – 65,837 West Devon – 29,202
Case Management Managers and Team Leaders	50%/50%	Management of case managers and workload	N/A – reflects managerial element of roles
Planning Applications	75%/25%	Planning applications	South Hams - 1,935 West Devon - 640
Planning Enforcement (see note 2 below)	75%/25%	Planning Enforcement cases	South Hams - 442 West Devon - 144



Service Area	Allocation of South Hams District Council (SHDC) to West Devon Borough Council (WDBC)	Basis of the apportionment of costs between SHDC and WDBC	Caseload Information which has informed the shared services apportionment
Housing Benefits	60%/40% *	<p>Housing Benefit new claims processed</p> <p>Change of circumstances processed</p>	<p><u>New claims:</u> South Hams - 248 West Devon - 158</p> <p><u>Change of circs:</u> South Hams – 2,228 West Devon – 1,333</p>
Council Tax	63%/37%	Council Tax rated properties (Valuation office list as at 30 <sup>th</sup> December 2020)	South Hams – 45,220 West Devon – 26,091
Business Rates	63%/37%	Business Rates Rating List (Rateable Values as at 30 <sup>th</sup> December 2020). The Rateable Values are an indicator, but an assessment of workload is used for the apportionments	South Hams – £86,943,565 West Devon – £32,741,094

Service Area	Allocation of South Hams District Council (SHDC) to West Devon Borough Council (WDBC)	Basis of the apportionment of costs between SHDC and WDBC	Caseload Information which has informed the shared services apportionment
Environmental Health CoP – various apportionments	Main team allocation 60%/40%	Various depending on their work	Various depending on their work
	Disabled Facility Grants work (63%/37%)*	Disabled Facility Grant/Regulatory Reform Order Grant cases completed	South Hams – 91 West Devon - 48
	Licensing (50%/50%)	Policy Work	N/A
Housing CoP – various apportionments	Housing caseload data 60%/40% *	<p>Number of contacts resulting in cases</p> <p>Number of housing preventions</p> <p>Numbers on the housing register</p> <p>Number of Direct Lets</p>	<p>South Hams - 164 West Devon - 132</p> <p>South Hams - 237 West Devon - 160</p> <p>South Hams – 1,290 West Devon - 883</p> <p>South Hams - 33 West Devon - 7</p>

<b>Service Area</b>	<b>Allocation of South Hams District Council (SHDC) to West Devon Borough Council (WDBC)</b>	<b>Basis of the apportionment of costs between SHDC and WDBC</b>	<b>Caseload Information which has informed the shared services apportionment</b>
HR CoP	74%/26%	Permanent posts on the establishment December 2020 (this relates to the number of persons employed not the number of FTEs).	South Hams – 294 West Devon – 101
Legal CoP	60%/40%	Time allocation	N/A
Finance CoP	60%/40%	Time allocation	N/A
Design CoP	60%/40%	Time allocation	N/A
ICT Infrastructure team	50%/50%	Time allocation	N/A
ICT Helpdesk team	60%/40%	Time allocation	N/A
Case Management Support Services	60%/40%	Time allocation	N/A
Digital Mailroom	70%/30%	Time allocation	N/A
Internal Audit (see note 3 below)	62%/38%	Time recording of productive time only	Each role is assessed

<b>Service Area</b>	<b>Allocation of South Hams District Council (SHDC) to West Devon Borough Council (WDBC)</b>	<b>Basis of the apportionment of costs between SHDC and WDBC</b>	<b>Caseload Information which has informed the shared services apportionment</b>
<b>Place &amp; Enterprise</b>			
Place Making	50%/50%	Equal due to the nature of the work	N/A
Assets	69%/31%	Balance Sheet Assets in each Council's Accounts. The Balance Sheet values at 31 <sup>st</sup> March 2020 are an indicator, but an assessment of workload is used for the apportionments.	South Hams £96million West Devon £44million
Facilities	50%/50%	Time allocation	N/A
<b>Extended Leadership Team (see note 4 below)</b>	Various splits of individual posts, most either 50%/50% or 60%/40%	Time allocation	Each role is assessed
<b>Senior Leadership Team</b>	50%/50%	Time allocation	Each role is shared on a 50%/50% basis

\* Areas of change below the 3% threshold

**Significant Areas of change from 2019/20:**

1. **Waste** – one off changes in 2020/21 to individual allocations to reflect the additional work created by the implementation of the Devon Aligned Service in South Hams.
2. **Planning Enforcement** – change in the numbers of **planning enforcement cases**. (South Hams/West Devon, previously 79%/21%, revised split 75%/25%).
3. **Internal Audit** – change in the allocation of **productive time** (South Hams/West Devon, previously 66%/34%, revised split 62%/38%).
4. **Extended Leadership Team** – the majority of the Extended Leadership Team allocations have remained the same for 2020/21 (mainly 50%/50% or 60%/40% South Hams/West Devon). However, the time allocation for the Head of Commissioning and Contracts has been revised as a one off for 2020/21 from 60%/40% to 80%/20% South Hams/West Devon, to reflect the additional work created by the implementation of the Devon Aligned Service in South Hams.

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Report to: **Audit Committee**  
Date: **6 April 2021**  
Title: **Sundry Debt**  
Portfolio Area: **Support Services – Cllr C Edmonds**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: N/A

Author: **Clare Scotton** Role: **Finance Business Partner**  
**Pauline Henstock** **Head of Finance Practice**  
**and Deputy S.151 Officer**

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**01803 861377** [pauline.henstock@swdevon.gov.uk](mailto:pauline.henstock@swdevon.gov.uk)

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## **Recommendation:**

That the Audit Committee note the position in relation to Sundry Debt

### **1. Executive summary**

- 1.1 The Council is responsible for the collection of: Sundry Debts, Housing Benefit Overpayments, Council Tax and National Non-Domestic Rates (NNDR).
- 1.2 This report provides Members with an update of the position of Sundry Debt and Housing Benefits Overpayments up to 28 February 2021.

### **2. Background**

- 2.1 The Council's management arrangements underpin delivery of all the Council's priorities, including the commitment to providing value for money services. Incorporated within this, is the timely collection of monies due to the Council. Debts are recovered in accordance with the Council's Recovery Policy as published on our website.

- 2.2 Following the centralisation of debt recovery into one service from October 2017 and the implementation of the Debt Recovery Action Plan, Members requested a series of updates to demonstrate robust control of debt recovery procedures, particularly relating to sundry debt.
- 2.3 The implementation of a comprehensive action plan has resulted in robust recovery procedures. This report outlines the latest positions in collection relating to Sundry Debt and Housing Benefit Overpayments by providing data that demonstrates the progress made.

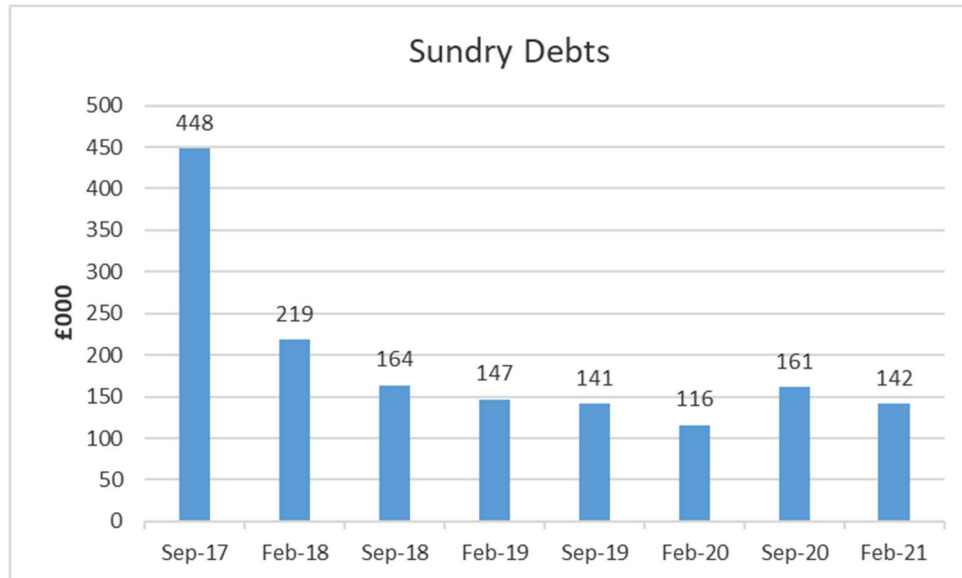
### **3. Outcomes/outputs**

- 3.1 The arrears covered in this report are split into three categories as follows:
  - a. Sundry Debts
  - b. Housing Benefit Overpayment Recoveries from those still in receipt of Housing Benefit
  - c. Housing Benefit Overpayment Recoveries from those no longer in receipt of Housing Benefit
- 3.2 All Council sundry debts are actively pursued, and in most instances are collected with little difficulty. In cases where payment is not received on time, a series of reminders are issued promptly to the debtor. If this fails to secure payment, recovery is pursued through the courts.
- 3.3 The Council took the decision to pause the chasing of Sundry Debts at the start of the pandemic but this process has now resumed and reminder letters are being sent out.

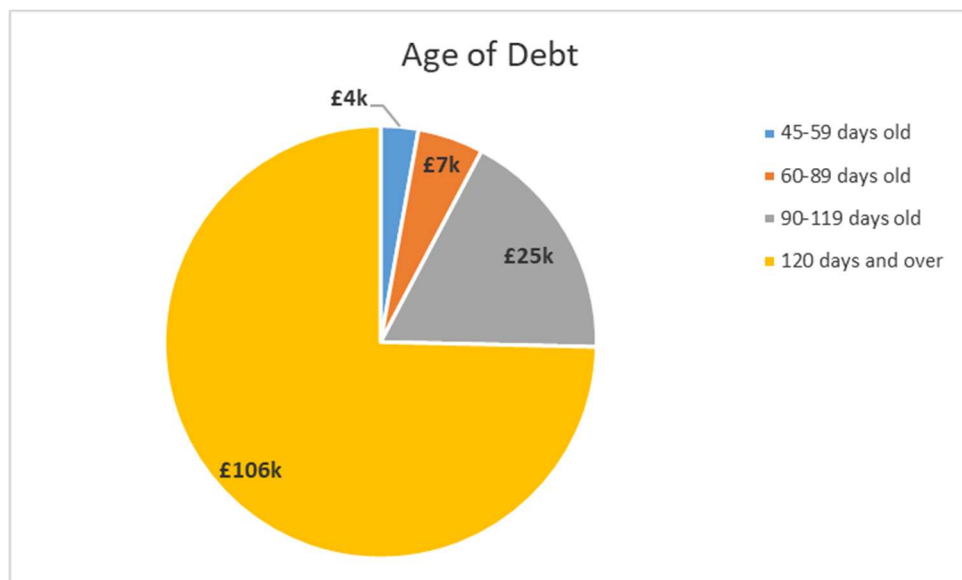


### Sundry Debts

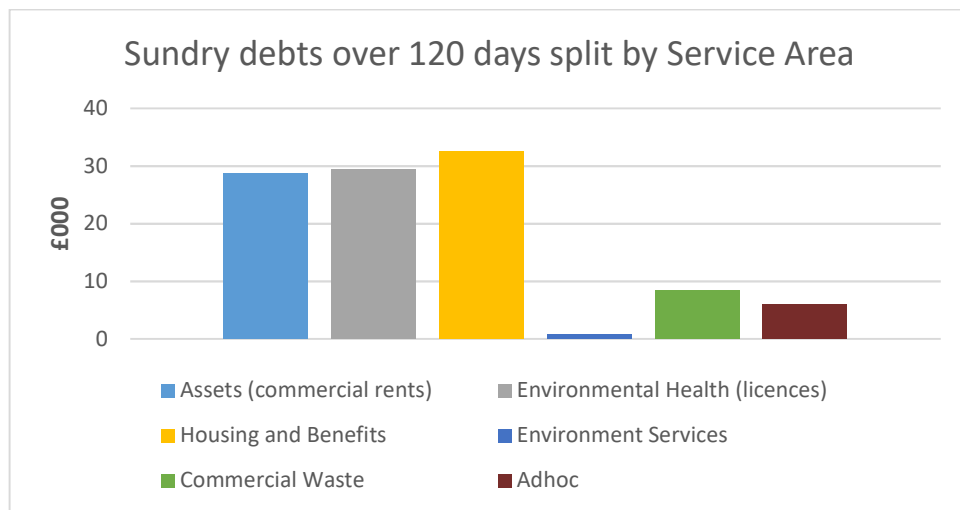
3.4 The balance of arrears for Sundry Debts over recent years is summarised below. Sundry Debts consist of Estates Management, Licencing and Housing. This excludes car parking fines which are included on a different system.



3.5 This balance of £142k can be further broken down by age category to give a clearer picture of the nature of Sundry Debt arrears, as follows.



- 3.6 The current balance for Sundry Debts of £142k includes only three high value debtors (in excess of £10k). One invoice relates to rental income from a tenant in one of the Council's let units, who was suffering financial difficulties prior to Covid and their financial position is still suffering. A potential payment plan is currently being discussed with the tenant. The other two invoices relate to Environmental Health and it is expected that these will both be paid.
- 3.7 Sundry debts over 120 days total £106k and can be further analysed by service area below. It can be seen that just over £32k relates to Housing and Benefits which are notoriously difficult debts to recover. This makes up 31% of the total debt in this age category. Just under £30k relates to Environmental Health invoices. The majority of these are licences and therefore low value, high volume. Licensing invoices are not currently being chased and customers who have already paid are being offered refunds under the Council's Additional Restrictions Grant (ARG) Business Grant scheme.
- 3.8 Just under £29k relates to commercial rents and slow recovery is expected in the current financial climate. The Assets team are working closely with tenants to work out a payment plan to recover these debts.

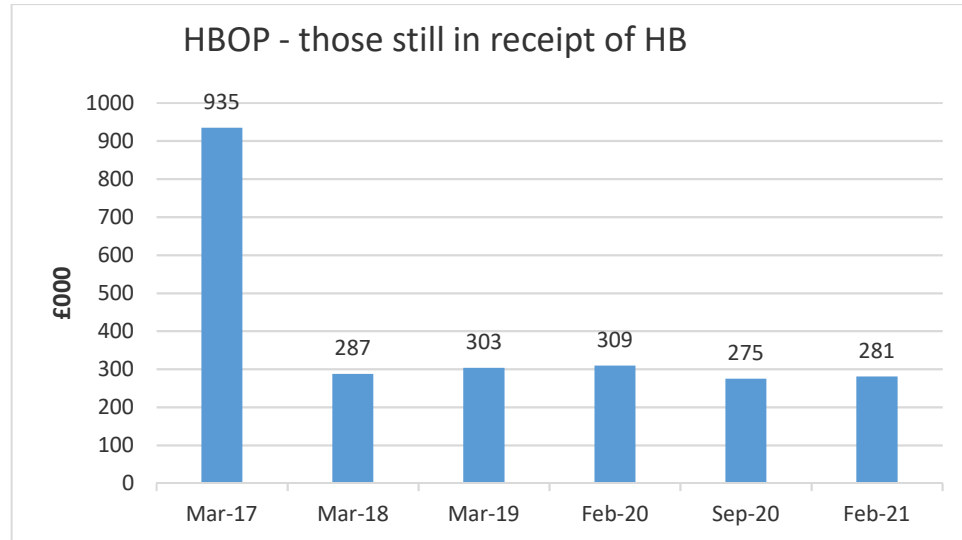


**Sundry debt written off**

- 3.9 Sundry debts totalling £3.8k have been written off in quarter three due to their age and likelihood of being recovered. No sundry debts have been written off in quarter four to date.

### Housing Benefit Overpayment Recoveries from those still in receipt of Housing Benefit

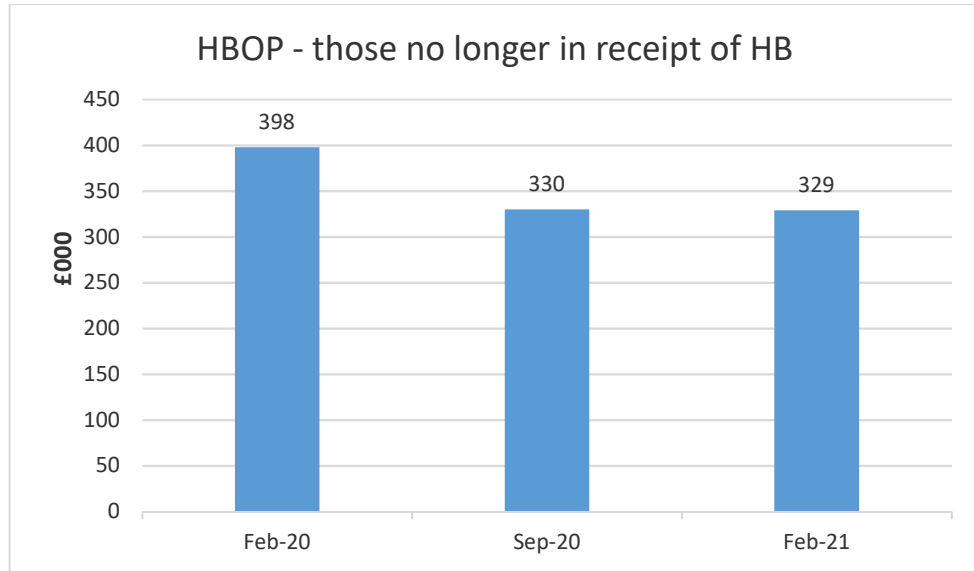
3.10 The balance of arrears for Housing Benefit Overpayment Recoveries from those still in receipt of Housing Benefit is £281k as at 28<sup>th</sup> February 2021, a slight increase on the balance of £275k as at 30<sup>th</sup> September 2020. The balance over time can be seen on the chart below.



3.11 Recovery action was paused following the initial lockdown in March but this process is now back up and running. The Case Management team make every effort to identify overpayments promptly and so begin the recovery process whilst amounts are still relatively low. By recovering these debts whilst people are still in receipt of Housing Benefit, the ease of recovery is greater, as is the likelihood of full recovery.

### **Housing Benefit Overpayment Recoveries from those no longer in receipt of Housing Benefit**

3.12 The balance of arrears for Housing Benefit Overpayment Recoveries from those no longer in receipt of Housing Benefit is £329k as at 28th February 2021, a slight decrease on the balance of £330k as at 30th September 2020. The balance over time can be seen on the chart below.



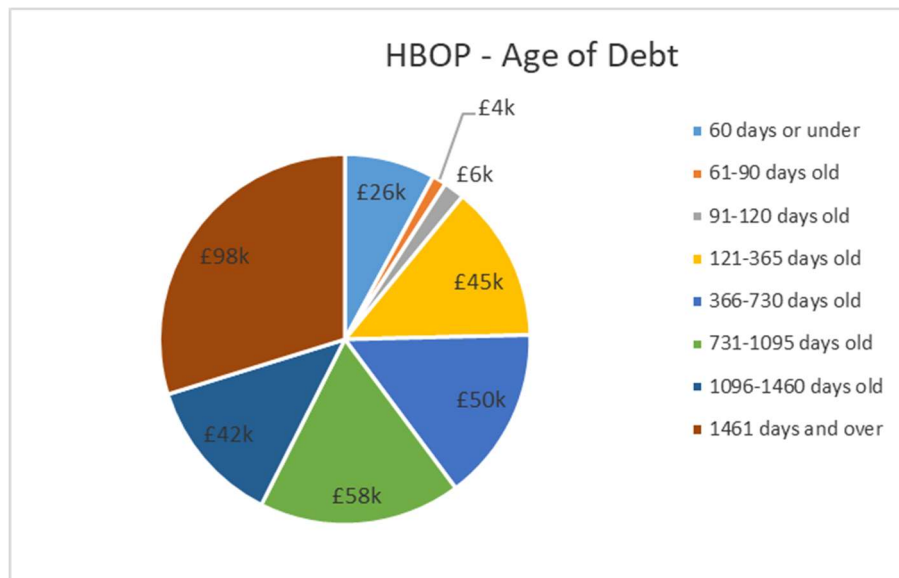
3.13 The amount outstanding is continuously monitored and well managed for both categories of Housing Benefit Overpayment Recoveries. A downwards trend is expected as members of the public move increasingly from the Housing Benefit system over to the Universal Credit system.

3.14 The effect of this will be that less Housing Benefit will be administered by the Authority and so the amount that is overpaid will also reduce.

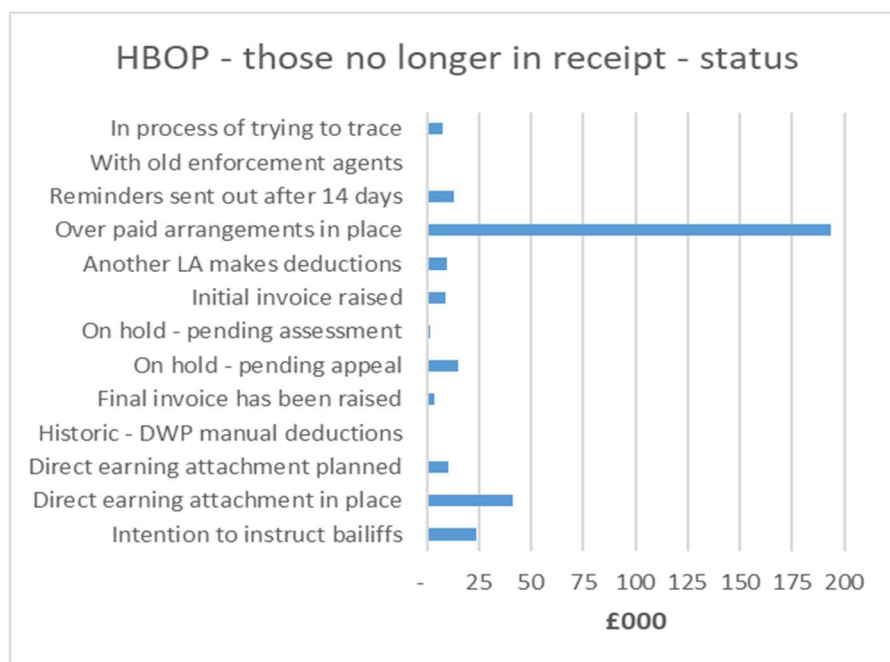
#### **Housing Benefit write offs**

3.15 Since September 2020, just over £3,500 of this debt has been written off.

3.16 The balance of £329k can be further broken down by age category to give a clearer picture of the nature of these arrears, as follows.



3.17 Of this balance, £193k relates to debt where over paid arrangements are in place. A full picture showing the status of this debt can be seen below.



#### 4. Options available and consideration of risk

4.1 The Business Manager for Case Management is keen to continue to focus on debt recover and it is anticipated that every effort will be made to recover monies owed to the Council promptly. Where this isn't possible, the debt recovery procedures will be followed and overdue debts will be duly followed up.

#### 5. Proposed way forward

5.1 The Committee note the content of this report and continue half yearly reporting.

#### 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The guidelines for Statutory Interest Charging and adding recovery costs falls under the European Directive 2011/7/EU on Combating Late Payment in Commercial Transactions. Enforcing successful legal action for recovery of debt is dependent upon a robust system of ensuring correct business names are recorded within our systems.
Financial implications to include reference to value for money	Y	Improved income collection, resulting in less impact of uncollectable debt on the Income and Expenditure Account, due to fewer write offs.
Risk	Y	There remains a risk of income not being collected. The Debt Recovery Plan alongside the Debt Recovery Policy seeks to minimise this. Risk to reputation is managed carefully by prompt recovery of amounts due wherever possible. This risk is also mitigated by taking a balanced view and ensuring that resources are not expended on debts which are not cost effective to pursue and these are written off in accordance with the Council's Write Off Policy
Supporting Corporate Strategy		The debt recovery process supports all six of the Corporate Strategy Themes of Council, Homes, Enterprise, Communities, Environment and Wellbeing.
Climate Change - Carbon / Biodiversity Impact		None directly arising from this report.

Comprehensive Impact Assessment Implications		
Equality and Diversity	N	All enforcement action that is taken prior to this point is undertaken in accordance with legislation and accepted procedures to ensure no discrimination takes place.
Safeguarding	N	N/A
Community Safety, Crime and Disorder	N	N/A
Health, Safety and Wellbeing	N	N/A
Other implications	N	None

### **Supporting Information**

#### **Appendices:**

None

#### **Background Papers:**

None

### **Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed/sign off	<b>Yes</b>
SLT Rep briefed/sign off	<b>Yes</b>
Relevant Heads of Practice sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
Accessibility checked	<b>N/A</b>

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Report to: **Audit Committee**  
Date: **6<sup>th</sup> April 2021**  
Title: **Budget Book 2021/22**  
Portfolio Area: **Performance & Resources – Cllr C Edmonds**  
Wards Affected: **ALL**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Author: **Pauline Henstock** Role: **Head of Finance Practice**  
**Steve Williams** **Specialist - Accountant**

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**Recommendations:**

**That the Audit Committee:**

1. Notes the content of the Budget Book for 2021/22.

## **1. Executive summary**

Attached is a copy of the Budget Book for 2021/22. This sets out the Council's Revenue Budget for the year into the four Directorates of Customer Service and Delivery, Place and Enterprise, Governance and Assurance and Strategic Finance.

## **2. Background**

The Budget Book compares the Budget for 2020/21 against the Budget for 2021/22. Cost pressures and savings which were set out in the Medium Term Financial Strategy (MTFS) and agreed as part of the budget process are shown in the 'MTFS' column, with a note underneath. For example, the income target for Housing Benefit overpayment recoveries has been reduced by £135,000 for 2021/22, and this is shown in Cost Centre W1565 Housing Benefit Payments.

The Budget Book shows any 'virements' within 2020/21. A virement is where a budget is moved from one budget holder (and cost centre) to another, to better reflect where budget responsibility should be held. Virements always net to zero.

In addition various presentational changes have been made to the 2021/22 budget shown in the 'other adjustments' column in the Budget Book. This aligns budgets to reflect current income and expenditure arrangements. These adjustments net to zero overall, as they are purely presentational.

### 3. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Council is legally required to set a Balanced Budget each financial year.
Financial Implications to include reference to value for money	Y	There are no direct financial implications as a result of this report. The annual budget setting process will ensure the Council has arrangements in place to secure economy, efficiency and effectiveness in its use of resources. The Council's auditors, Grant Thornton, provide an annual value for money opinion for the District Council, which will be reported to Members at this Audit Committee meeting.
Risk	Y	The Council's budget book sets out the income and expenditure budgeted for each service area. A prudent level of reserves is held by the Council to mitigate against financial risk.
Supporting Corporate Strategy	Y	The budget book report supports all six of the Corporate Themes of Council, Homes, Enterprise, Communities, Environment and Wellbeing.
Climate Change – Carbon / Biodiversity Impact	N	None directly arising from this report.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	N/a
Safeguarding	N	N/a
Community Safety, Crime and Disorder	N	N/a
Health, Safety and Wellbeing	N	N/a
Other implications	N	None

## **Appendices**

Appendix A – Budget Book summary 2021/22

### **Background Documents**

Council, 16<sup>th</sup> February 2021 – Revenue Budget Proposals for 2021-22

### **Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed	<b>Yes</b>
SLT Rep briefed	<b>Yes</b>
Relevant Exec Director sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	<b>N/a</b>

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d)	Strategic Finance	Budget Manager	20/21 Base Net Budget	20/21 Adjusted COVID-19 Base Budget	20/21 Virements	20/21 Revised Net Budget	21/22 Pressures/ (Savings)	21/22 Reversal of COVID-19 Pressures	21/22 Budget Preparation Virements	21/22 Salary Estimate Virements	21/22 Final Base Budget
			£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
W4009	Non Distributed Costs	Lisa Buckle	546,342	546,342	30,900	577,242	(80,000)	0	0	(45,000)	452,242
W4010	Inflation/Pension Provision	Lisa Buckle	0	0	0	0	0	0	0	0	0
W4011	Steady State Review	Lisa Buckle	0	0	0	0	0	0	0	0	0
W4175	COVID-19 Government Tranche Funding	Lisa Buckle	0	(933,000)	0	(933,000)	0	933,000	0	0	0
W6021	Council Tax Support Grant	Lisa Buckle	0	0	0	0	0	0	0	0	0
W6101	Business Rates Income	Lisa Buckle	(40,000)	95,000	0	95,000	0	(135,000)	0	0	(40,000)
			506,342	(291,658)	30,900	(260,758)	(80,000)	798,000	0	(45,000)	412,242

**West Devon Borough Council**  
**Customer Service & Delivery Budgets 2021/22**

Cost Centre Code	Cost Centre Description	Budget Manager	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Final Budget 21/22 £'s
1	W1010 Customer Contact Centre	Sarah Moody	224,500	(75,200)	149,300	5,300	(700)	153,900
2	W1020 Planning Applications and Advice	Pat Whymer	(369,795)	0	(369,795)	0	0	(369,795)
3	W1040 Local Land Charges	Pat Whymer	(73,806)	0	(73,806)	0	0	(73,806)
4	W1304 Grounds Maintenance	Sarah Moody	125,927	0	125,927	1,400	(19,400)	107,927
5	W1501 General Health	Ian Luscombe	14,170	0	14,170	0	0	14,170
6	W1531 Licensing	Ian Luscombe	(90,551)	0	(90,551)	0	0	(90,551)
7	W1533 Pest Control	Ian Luscombe	15,493	0	15,493	0	0	15,493
8	W1534 Pollution Control	Ian Luscombe	(2,671)	0	(2,671)	0	0	(2,671)
9	W1535 Food Safety	Ian Luscombe	698	0	698	0	0	698
10	W1536 Health & Safety at Work	Ian Luscombe	1,500	0	1,500	0	0	1,500
11	W1544 Community Safety	Ian Luscombe	6,500	0	6,500	0	0	6,500
12	W1545 Emergency Planning	Ian Luscombe	5,370	0	5,370	0	0	5,370
13	W1551 Homelessness	Isabel Blake	130,377	0	130,377	0	6,500	136,877
14	W1552 Housing Advice	Isabel Blake	1,200	0	1,200	0	0	1,200
15	W1555 Private Sector Housing Renewal	Ian Luscombe	31,595	0	31,595	0	0	31,595
16	W1565 Housing Benefit Payments	Isabel Blake	50,953	0	50,953	135,000	0	185,953
17	W1568 Housing Benefit Administration	Isabel Blake	(96,487)	0	(96,487)	10,000	(24,700)	(111,187)
18	W1571 Council Tax Collection	Isabel Blake	(201,694)	0	(201,694)	0	0	(201,694)
19	W1574 Council Tax Support	Isabel Blake	(56,000)	0	(56,000)	0	0	(56,000)
20	W1998 Case Management Customer Service & Delivery	Sarah Moody	1,043,400	61,600	1,105,000	50,700	133,900	1,289,600
21	W1999 Specialist Customer Service & Delivery	Catherine Bowen	1,156,700	3,400	1,160,100	55,600	(35,700)	1,180,000
22	W4001 Senior Leadership Team	Andy Bates	271,925	0	271,925	12,500	2,900	287,325
23	W4002 Extended Leadership Team	Andy Bates	452,300	700	453,000	26,400	8,300	487,700
24	W4004 Corporate Training & Occupational Health	Andy Wilson	18,183	0	18,183	0	0	18,183
25	W4005 Case Management Service Based Training	Sarah Moody	11,700	0	11,700	0	0	11,700
26	W4015 Specialists Service Based Training	Catherine Bowen	12,400	0	12,400	0	0	12,400
27	W4041 Internal Audit	Catherine Bowen	26,200	0	26,200	700	9,600	36,500
28	W4082 Landline Telephones	Mike Ward	21,000	0	21,000	0	0	21,000
29	W4084 ICT Support Contracts	Mike Ward	506,384	0	506,384	(8,000)	0	498,384
30	W4085 Mobile Phones	Mike Ward	14,000	0	14,000	0	0	14,000
31	W4086 ICT Hardware Replacement	Mike Ward	42,084	0	42,084	0	0	42,084
32	W4087 Photocopiers/MFD's	Mike Ward	10,000	0	10,000	0	0	10,000
33	W4100 Specialists Human Resources CoP	Catherine Bowen	38,240	0	38,240	1,000	600	39,840
34	W4101 Specialists Legal CoP	Catherine Bowen	120,300	0	120,300	4,800	(4,900)	120,200
35	W4102 Specialists Design CoP	Catherine Bowen	32,900	0	32,900	1,000	(400)	33,500
36	W4103 Specialists Finance CoP	Catherine Bowen	152,263	0	152,263	5,300	(4,200)	153,363
37	W4104 Specialists ICT CoP	Catherine Bowen	257,279	0	257,279	9,000	(6,800)	259,479
38	W4150 Case Management Support Services	Sarah Moody	211,900	0	211,900	8,000	(24,800)	195,100
39	W4155 Case Management Digital Mail Room	Sarah Moody	78,300	0	78,300	1,300	(500)	79,100
40	W4160 Corporate Management	Pauline Henstock	101,345	0	101,345	0	0	101,345
41	W4196 ICT Customer Support	Sarah Moody	63,500	0	63,500	2,300	(23,600)	42,200
42	W4199 Central Service Overheads	Catherine Bowen	8,142	9,500	17,642	0	0	17,642
43	W6040 Borrowing Costs	Pauline Henstock	1,298,075	0	1,298,075	0	0	1,298,075
44	W6050 Interest & Investment Income	Pauline Henstock	(105,321)	0	(105,321)	0	0	(105,321)
			<b>5,560,478</b>	<b>0</b>	<b>5,560,478</b>	<b>322,300</b>	<b>16,100</b>	<b>5,898,878</b>

(\*) MTFS - Medium Term Financial Strategy, cost pressures and savings agreed as part of the budget process

(\*\*) 2020/21 Virements - movements in budgets to better reflect where budget responsibility should be held, virements always net to zero.

(\*\*\*) Other Adjustments = budget changes required to align expenditure & income to the current management structure, these adjustments net to zero.

Customer Contact Centre	Sarah Moody	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
<b>W1010</b>							
<b>Expenditure</b>		<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
Employees		333,900	(158,300)	175,600	5,300	100	181,000
Transport Related		1,100	0	1,100	0	0	1,100
<b>Income</b>							
Recharges		(110,500)	83,100	(27,400)	0	(800)	(28,200)
<b>Net Expenditure</b>		<b>224,500</b>	<b>(75,200)</b>	<b>149,300</b>	<b>5,300</b>	<b>(700)</b>	<b>153,900</b>

(\*) The MTFS adjustment relates to pay inflation of £5.3k

(\*\*) These adjustments relate to staff moving from the Customer Contact Centre to the Housing, Revenues & Benefits Service, to align with new reporting lines.

(\*\*\*) This adjustment is required to align the pay inflation to the actual sum required to cover an increase in payroll costs

Planning Applications and Advice	Pat Whymer	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
<b>W1020</b>							
<b>Expenditure</b>		<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
Supplies & Services		31,850	0	31,850	0	0	31,850
<b>Income</b>							
Fees & Charges		(401,645)	0	(401,645)	0	0	(401,645)
<b>Net Expenditure</b>		<b>(369,795)</b>	<b>0</b>	<b>(369,795)</b>	<b>0</b>	<b>0</b>	<b>(369,795)</b>

Local Land Charges	Pat Whymer	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
<b>W1040</b>							
<b>Expenditure</b>		<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
Supplies & Services		3,890	0	3,890	0	0	3,890
Third Party Payments		17,550	0	17,550	0	0	17,550
<b>Income</b>							
Fees & Charges		(95,246)	0	(95,246)	0	0	(95,246)
<b>Net Expenditure</b>		<b>(73,806)</b>	<b>0</b>	<b>(73,806)</b>	<b>0</b>	<b>0</b>	<b>(73,806)</b>

The salary costs of staff delivering these services are sat within the case management and specialist budgets. An appropriate allocation of these costs will be apportioned to this budget for staff costs.

Grounds Maintenance	Sarah Moody	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
<b>W1304</b>							
<b>Expenditure</b>		<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
Employees		49,000	0	49,000	1,400	600	51,000

W1304	Premises Related	28,600	0	28,600	0	(20,000)	8,600
	Transport Related	0	0	0	0	0	0
	Supplies & Services	53,227	0	53,227	0	0	53,227
	<b>Income</b>						
	Recharges	(4,900)	0	(4,900)	0	0	(4,900)
	<b>Net Expenditure</b>	<b>125,927</b>	<b>0</b>	<b>125,927</b>	<b>1,400</b>	<b>(19,400)</b>	<b>107,927</b>

(\*) The MTFS adjustment relates to pay inflation of £1.4k

(\*\*\*) An adjustment of £0.6k is required to align the pay inflation to the actual sum required to cover an increase in payroll costs. The £20k adjustment relates to the transfer of the tree maintenance budget to a new specific cost centre W1309 'Tree Maintenance' within the Place & Enterprise budget.

W1501	General Health	Ian Luscombe	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Supplies & Services		14,170	0	14,170	0	0	14,170
	<b>Net Expenditure</b>		<b>14,170</b>	<b>0</b>	<b>14,170</b>	<b>0</b>	<b>0</b>	<b>14,170</b>

W1531	Licensing	Ian Luscombe	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Supplies & Services		23,560	0	23,560	0	0	23,560
	<b>Income</b>							
	Fees & Charges		(104,011)	0	(104,011)	0	0	(104,011)
	Recharges		(10,100)	0	(10,100)	0	0	(10,100)
	<b>Net Expenditure</b>		<b>(90,551)</b>	<b>0</b>	<b>(90,551)</b>	<b>0</b>	<b>0</b>	<b>(90,551)</b>

The salary costs of staff delivering these services are sat within the case management and specialist budgets. An appropriate allocation of these costs will be apportioned to this budget for staff costs.

W1533	Pest Control	Ian Luscombe	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Supplies & Services		15,493	0	15,493	0	0	15,493
	<b>Net Expenditure</b>		<b>15,493</b>	<b>0</b>	<b>15,493</b>	<b>0</b>	<b>0</b>	<b>15,493</b>

W1534	Pollution Control	Ian Luscombe	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Supplies & Services		20,329	0	20,329	0	0	20,329
	<b>Income</b>							
	Fees & Charges		(23,000)	0	(23,000)	0	0	(23,000)
	<b>Net Expenditure</b>		<b>(2,671)</b>	<b>0</b>	<b>(2,671)</b>	<b>0</b>	<b>0</b>	<b>(2,671)</b>

W1535	Food Safety	Ian Luscombe	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Supplies & Services		5,698	0	5,698	0	0	5,698
	<b>Income</b>							
	Fees & Charges		(5,000)	0	(5,000)	0	0	(5,000)
	<b>Net Expenditure</b>		<b>698</b>	<b>0</b>	<b>698</b>	<b>0</b>	<b>0</b>	<b>698</b>

W1536	Health & Safety at Work	Ian Luscombe	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Employees		1,500	0	1,500	0	0	1,500
	<b>Net Expenditure</b>		<b>1,500</b>	<b>0</b>	<b>1,500</b>	<b>0</b>	<b>0</b>	<b>1,500</b>

W1544	Community Safety	Ian Luscombe	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Supplies & Services		6,500	0	6,500	0	0	6,500
	<b>Net Expenditure</b>		<b>6,500</b>	<b>0</b>	<b>6,500</b>	<b>0</b>	<b>0</b>	<b>6,500</b>

W1545	Community Safety	Ian Luscombe	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Supplies & Services		5,370	0	5,370	0	0	5,370
	<b>Net Expenditure</b>		<b>5,370</b>	<b>0</b>	<b>5,370</b>	<b>0</b>	<b>0</b>	<b>5,370</b>

W1551	Homelessness	Isabel Blake	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Premises Related		11,000	0	11,000	0	6,500	17,500
	Supplies & Services		260,737	0	260,737	0	0	260,737
	Capital Charges		2,830	0	2,830	0	0	2,830
	<b>Income</b>							
	Rent		(110,000)	0	(110,000)	0	0	(110,000)
	Recharges		(34,190)	0	(34,190)	0	0	(34,190)
	<b>Net Expenditure</b>		<b>130,377</b>	<b>0</b>	<b>130,377</b>	<b>0</b>	<b>6,500</b>	<b>136,877</b>

(\*\*\*) This adjustment is required to realign the National Non Domestic Rates budget

W1552	Housing Advice	Isabel Blake	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Employees		470	0	470	0	0	470
	Supplies & Services		730	0	730	0	0	730
	<b>Net Expenditure</b>		<b>1,200</b>	<b>0</b>	<b>1,200</b>	<b>0</b>	<b>0</b>	<b>1,200</b>



			20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
W1555	Private Sector Housing Renewal	Ian Luscombe						
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Supplies & Services		15,700	0	15,700	0	0	15,700
	Capital Charges		25,895	0	25,895	0	0	25,895
	<b>Income</b>							
Fees & Charges		(10,000)	0	(10,000)	0	0	(10,000)	
<b>Net Expenditure</b>		<b>31,595</b>	<b>0</b>	<b>31,595</b>	<b>0</b>	<b>0</b>	<b>31,595</b>	

			20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
W1565	Housing Benefit Payments	Isabel Blake						
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Transfer Payments		8,342,900	0	8,342,900	0	(83,887)	8,259,013
	<b>Income</b>							
	Government Grants		(8,156,947)	0	(8,156,947)	0	83,887	(8,073,060)
Recharges		(135,000)	0	(135,000)	135,000	0	0	
<b>Net Expenditure</b>		<b>50,953</b>	<b>0</b>	<b>50,953</b>	<b>135,000</b>	<b>0</b>	<b>185,953</b>	

(\*) The MTFS adjustment is the removal of the income target for Housing Benefit overpayment recoveries

(\*\*\*) This adjustment reflects the latest 2021/22 Housing Benefit Subsidy estimate forms at Mar 21 (this has a net nil effect on this cost centre)

			20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
W1568	Housing Benefit Administration	Isabel Blake						
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Supplies & Services		0	0	0	0	0	0
	<b>Income</b>							
	Government Grants		(96,487)	0	(96,487)	10,000	(24,700)	(111,187)
<b>Net Expenditure</b>		<b>(96,487)</b>	<b>0</b>	<b>(96,487)</b>	<b>10,000</b>	<b>(24,700)</b>	<b>(111,187)</b>	

(\*) The MTFS adjustment relates to an ongoing anticipated reduction in the level of Housing Benefit Administration Subsidy £10k

(\*\*\*) An adjustment of (£24.7k) is required to align the budget to latest grant notification award by DWP

			20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
W1571	Council Tax Collection	Isabel Blake						
	<b>Income</b>							
	Government Grants		(100,000)	0	(100,000)	0	0	(100,000)
	Recharges		(101,694)	0	(101,694)	0	0	(101,694)
<b>Net Expenditure</b>		<b>(201,694)</b>	<b>0</b>	<b>(201,694)</b>	<b>0</b>	<b>0</b>	<b>(201,694)</b>	

			20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
W1574	Council Tax Support	Isabel Blake						
	<b>Income</b>							
	Government Grants		(56,000)	0	(56,000)	0	0	(56,000)
<b>Net Expenditure</b>		<b>(56,000)</b>	<b>0</b>	<b>(56,000)</b>	<b>0</b>	<b>0</b>	<b>(56,000)</b>	

			20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
W1998	Case Management Customer Service and Delivery	Sarah Moody						
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Employees		1,553,800	121,700	1,675,500	50,100	78,600	1,804,200
	Transport Related		32,800	0	32,800	600	0	33,400
	Supplies & Services		0	0	0	0	0	0
	<b>Income</b>							
	Fees & Charges		(49,900)	0	(49,900)	0	0	(49,900)
	Recharges		(493,300)	(60,100)	(553,400)	0	55,300	(498,100)
<b>Net Expenditure</b>		<b>1,043,400</b>	<b>61,600</b>	<b>1,105,000</b>	<b>50,700</b>	<b>133,900</b>	<b>1,289,600</b>	

(\*) The MTFS adjustment relates to pay inflation of £61.6k

(\*\*) These adjustments relate to staff moving from the Customer Contact Centre to the Housing, Revenues & Benefits Service, to align with new reporting lines.

(\*\*\*) This adjustment is required for pay inflation, increments and the inclusion of the localities team within the case management budget.

			20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
W1999	Specialists Customer Service and Delivery	Catherine Bowen						
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Employees		1,808,900	36,600	1,845,500	55,600	(2,200)	1,898,900
	Transport Related		51,800	(700)	51,100	0	0	51,100
	Supplies & Services		9,500	(9,500)	0	0	0	0
	<b>Income</b>							
	Recharges		(713,500)	(23,000)	(736,500)	0	(33,500)	(770,000)
<b>Net Expenditure</b>		<b>1,156,700</b>	<b>3,400</b>	<b>1,160,100</b>	<b>55,600</b>	<b>(35,700)</b>	<b>1,180,000</b>	

(\*) The MTFS adjustment relates to pay inflation of £55.6k

(\*\*) The in year 20/21 virement is the redesignation an of Environmental Health Case Management post to Specialist £12.9k, and the realignment of overhead budgets to cost centre W4199 (£9.5k)

			20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
W4001	Senior Leadership Team	Andy Bates						
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Employees		412,800	0	412,800	12,500	10,800	436,100
	Transport Related		3,500	0	3,500	0	0	3,500
	Supplies & Services		625	0	625	0	0	625
	<b>Income</b>							
Recharges		(145,000)	0	(145,000)	0	(7,900)	(152,900)	
<b>Net Expenditure</b>		<b>271,925</b>	<b>0</b>	<b>271,925</b>	<b>12,500</b>	<b>2,900</b>	<b>287,325</b>	

(\*) The MTFS adjustment relates to pay inflation of £12.5k

(\*\*\*) This adjustment is required to align the pay inflation and shared services recharge to the actual sum required to cover an increase in payroll costs £2.9k

			20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
	Extended Leadership Team	Andy Bates						
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s

W4002	Employees	869,000	0	869,000	26,400	15,300	910,700
	Transport Related	600	700	1,300	0	0	1,300
	<b>Income</b>						
	Recharges	(417,300)	0	(417,300)	0	(7,000)	(424,300)
	<b>Net Expenditure</b>	<b>452,300</b>	<b>700</b>	<b>453,000</b>	<b>26,400</b>	<b>8,300</b>	<b>487,700</b>

(\*) The MTFS adjustment relates to pay inflation of £26.4k

(\*\*\*) This adjustment is required to align the pay inflation to the actual sum required to cover an increase in payroll costs, and the transfer of the Head of Member Support & Democratic Services post into this budget

W4004	Corporate Training & Occupational Health	Andy Wilson	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
			£'s	£'s	£'s	£'s	£'s	£'s
	<b>Expenditure</b>							
	Employees		18,183	0	18,183	0	0	18,183
	<b>Net Expenditure</b>		<b>18,183</b>	<b>0</b>	<b>18,183</b>	<b>0</b>	<b>0</b>	<b>18,183</b>

W4005	Case Management Service Based Training	Sarah Moody	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
			£'s	£'s	£'s	£'s	£'s	£'s
	<b>Expenditure</b>							
	Employees		11,700	0	11,700	0	0	11,700
	<b>Net Expenditure</b>		<b>11,700</b>	<b>0</b>	<b>11,700</b>	<b>0</b>	<b>0</b>	<b>11,700</b>

W4015	Specialist Service Based Training	Catherine Bowen	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
			£'s	£'s	£'s	£'s	£'s	£'s
	<b>Expenditure</b>							
	Employees		12,400	0	12,400	0	0	12,400
	<b>Net Expenditure</b>		<b>12,400</b>	<b>0</b>	<b>12,400</b>	<b>0</b>	<b>0</b>	<b>12,400</b>

W4041	Internal Audit	Catherine Bowen	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
			£'s	£'s	£'s	£'s	£'s	£'s
	<b>Expenditure</b>							
	Employees		21,800	0	21,800	700	9,600	32,100
	Supplies & Services		4,400	0	4,400	0	0	4,400
	<b>Net Expenditure</b>		<b>26,200</b>	<b>0</b>	<b>26,200</b>	<b>700</b>	<b>9,600</b>	<b>36,500</b>

(\*) The MTFS adjustment relates to pay inflation of £0.7k

(\*\*\*) This adjustment is required to align the pay inflation and shared services recharge to the actual sum required to cover an increase in payroll costs £9.6k

W4082	Landline Telephones	Mike Ward	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
			£'s	£'s	£'s	£'s	£'s	£'s
	<b>Expenditure</b>							
	Supplies & Services		21,000	0	21,000	0	0	21,000
	<b>Net Expenditure</b>		<b>21,000</b>	<b>0</b>	<b>21,000</b>	<b>0</b>	<b>0</b>	<b>21,000</b>

W4084	ICT Support Contracts	Mike Ward	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
			£'s	£'s	£'s	£'s	£'s	£'s
	<b>Expenditure</b>							
	Supplies & Services		506,384	0	506,384	(8,000)	0	498,384
	<b>Net Expenditure</b>		<b>506,384</b>	<b>0</b>	<b>506,384</b>	<b>(8,000)</b>	<b>0</b>	<b>498,384</b>

(\*) The MTFS adjustment relates to planned savings in the cost of ICT contracts (£8.0k)

W4085	Mobile Phones	Mike Ward	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
			£'s	£'s	£'s	£'s	£'s	£'s
	<b>Expenditure</b>							
	Supplies & Services		14,000	0	14,000	0	0	14,000
	<b>Net Expenditure</b>		<b>14,000</b>	<b>0</b>	<b>14,000</b>	<b>0</b>	<b>0</b>	<b>14,000</b>

W4086	ICT Hardware Replacement	Mike Ward	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
			£'s	£'s	£'s	£'s	£'s	£'s
	<b>Expenditure</b>							
	Supplies & Services		42,084	0	42,084	0	0	42,084
	<b>Net Expenditure</b>		<b>42,084</b>	<b>0</b>	<b>42,084</b>	<b>0</b>	<b>0</b>	<b>42,084</b>

W4087	Photocopiers/MFD's	Mike Ward	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
			£'s	£'s	£'s	£'s	£'s	£'s
	<b>Expenditure</b>							
	Supplies & Services		10,000	0	10,000	0	0	10,000
	<b>Net Expenditure</b>		<b>10,000</b>	<b>0</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>10,000</b>

W4100	Human Resources CoP	Catherine Bowen	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22	
			£'s	£'s	£'s	£'s	£'s	£'s	
		<b>Expenditure</b>							
		Employees		35,600	0	35,600	1,000	600	37,200
		Supplies & Services		2,640	0	2,640	0	0	2,640
	<b>Income</b>								
	Recharges		0	0	0	0	0	0	
	<b>Net Expenditure</b>		<b>38,240</b>	<b>0</b>	<b>38,240</b>	<b>1,000</b>	<b>600</b>	<b>39,840</b>	

(\*) The MTFS adjustment relates to pay inflation of £1.0k

(\*\*\*) This adjustment is required to align the pay inflation and shared services recharge to the actual sum required to cover an increase in payroll costs £0.6k

W4101	Legal CoP	Catherine Bowen	20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22	
			£'s	£'s	£'s	£'s	£'s	£'s	
		<b>Expenditure</b>							
		Employees		162,200	0	162,200	4,800	(7,100)	159,900
		Transport Related		800	0	800	0	0	800
	Supplies & Services		23,000	0	23,000	0	0	23,000	
	<b>Income</b>								

	Recharges	(65,700)	0	(65,700)	0	2,200	(63,500)
	<b>Net Expenditure</b>	<b>120,300</b>	<b>0</b>	<b>120,300</b>	<b>4,800</b>	<b>(4,900)</b>	<b>120,200</b>

(\*) The MTFS adjustment relates to pay inflation of £4.8k

(\*\*\*) This adjustment is required to align the pay inflation and shared services recharge to the actual sum required to cover an increase in payroll costs (£4.9k)

W4102	<b>Design CoP</b>	<b>Catherine Bowen</b>	<b>20/21 Base Net Budget</b>	<b>20/21 In Year Virements (**)</b>	<b>Final Budget 20/21</b>	<b>21/22 MTFS Adjustments (*)</b>	<b>21/22 Other Adjustments (***)</b>	<b>Approved Net Budget 21/22</b>
	<b>Expenditure</b>		<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
	Employees		32,900	0	32,900	1,000	(400)	33,500
	<b>Net Expenditure</b>		<b>32,900</b>	<b>0</b>	<b>32,900</b>	<b>1,000</b>	<b>(400)</b>	<b>33,500</b>

(\*) The MTFS adjustment relates to pay inflation of £1.0k

(\*\*\*) This adjustment is required to align the pay inflation and shared services recharge to the actual sum required to cover an increase in payroll costs (£0.4k)

W4103	<b>Finance CoP</b>	<b>Catherine Bowen</b>	<b>20/21 Base Net Budget</b>	<b>20/21 In Year Virements (**)</b>	<b>Final Budget 20/21</b>	<b>21/22 MTFS Adjustments (*)</b>	<b>21/22 Other Adjustments (***)</b>	<b>Approved Net Budget 21/22</b>
	<b>Expenditure</b>		<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
	Employees		175,900	0	175,900	5,300	(2,500)	178,700
	Transport Related		300	0	300	0	0	300
	Supplies & Services		27,863	0	27,863	0	0	27,863
	<b>Income</b>							
	Recharges		(51,800)	0	(51,800)	0	(1,700)	(53,500)
	<b>Net Expenditure</b>		<b>152,263</b>	<b>0</b>	<b>152,263</b>	<b>5,300</b>	<b>(4,200)</b>	<b>153,363</b>

(\*) The MTFS adjustment relates to pay inflation of £5.3k

(\*\*\*) This adjustment is required to align the pay inflation and shared services recharge to the actual sum required to cover an increase in payroll costs (£4.2k)

W4104	<b>ICT CoP</b>	<b>Catherine Bowen</b>	<b>20/21 Base Net Budget</b>	<b>20/21 In Year Virements (**)</b>	<b>Final Budget 20/21</b>	<b>21/22 MTFS Adjustments (*)</b>	<b>21/22 Other Adjustments (***)</b>	<b>Approved Net Budget 21/22</b>
	<b>Expenditure</b>		<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
	Employees		298,800	0	298,800	9,000	(7,700)	300,100
	Transport Related		1,100	0	1,100	0	0	1,100
	Supplies & Services		2,259	0	2,259	0	0	2,259
	<b>Income</b>							
	Recharges		(44,880)	0	(44,880)	0	900	(43,980)
	<b>Net Expenditure</b>		<b>257,279</b>	<b>0</b>	<b>257,279</b>	<b>9,000</b>	<b>(6,800)</b>	<b>259,479</b>

(\*) The MTFS adjustment relates to pay inflation of £9.0k

(\*\*\*) This adjustment is required to align the pay inflation and shared services recharge to the actual sum required to cover an increase in payroll costs (£6.8k)

W4150	<b>Case Management Support Services</b>	<b>Sarah Moody</b>	<b>20/21 Base Net Budget</b>	<b>20/21 In Year Virements (**)</b>	<b>Final Budget 20/21</b>	<b>21/22 MTFS Adjustments (*)</b>	<b>21/22 Other Adjustments (***)</b>	<b>Approved Net Budget 21/22</b>
	<b>Expenditure</b>		<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
	Employees		307,800	0	307,800	9,200	(20,800)	296,200
	Transport Related		700	0	700	0	0	700
	Supplies & Services		39,600	0	39,600	(1,200)	0	38,400
	<b>Income</b>							
	Recharges		(136,200)	0	(136,200)	0	(4,000)	(140,200)
	<b>Net Expenditure</b>		<b>211,900</b>	<b>0</b>	<b>211,900</b>	<b>8,000</b>	<b>(24,800)</b>	<b>195,100</b>

(\*) The MTFS adjustment relates to pay inflation of £9.2k and a saving of (£1.2k) due to the continued implementation of e-billing for Council Tax

(\*\*\*) This adjustment is required to align the pay inflation and shared services recharge to the actual sum required to cover an increase in payroll costs.

W4155	<b>Case Management Digital Mail Room</b>	<b>Sarah Moody</b>	<b>20/21 Base Net Budget</b>	<b>20/21 In Year Virements (**)</b>	<b>Final Budget 20/21</b>	<b>21/22 MTFS Adjustments (*)</b>	<b>21/22 Other Adjustments (***)</b>	<b>Approved Net Budget 21/22</b>
	<b>Expenditure</b>		<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
	Employees		44,800	0	44,800	1,300	(500)	45,600
	Supplies & Services		33,500	0	33,500	0	0	33,500
	<b>Net Expenditure</b>		<b>78,300</b>	<b>0</b>	<b>78,300</b>	<b>1,300</b>	<b>(500)</b>	<b>79,100</b>

(\*) The MTFS adjustment relates to pay inflation of £1.3k

(\*\*\*) This adjustment is required to align the pay inflation and shared services recharge to the actual sum required to cover an increase in payroll costs (£0.5k)

W4160	<b>Corporate Management</b>	<b>Pauline Henstock</b>	<b>20/21 Base Net Budget</b>	<b>20/21 In Year Virements (**)</b>	<b>Final Budget 20/21</b>	<b>21/22 MTFS Adjustments (*)</b>	<b>21/22 Other Adjustments (***)</b>	<b>Approved Net Budget 21/22</b>
	<b>Expenditure</b>		<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
	Employees		2,500	0	2,500	0	0	2,500
	Supplies & Services		108,845	0	108,845	0	0	108,845
	<b>Income</b>							
Recharges		(10,000)	0	(10,000)	0	0	(10,000)	
	<b>Net Expenditure</b>		<b>101,345</b>	<b>0</b>	<b>101,345</b>	<b>0</b>	<b>0</b>	<b>101,345</b>

W4196	<b>ICT Customer Support</b>	<b>Sarah Moody</b>	<b>20/21 Base Net Budget</b>	<b>20/21 In Year Virements (**)</b>	<b>Final Budget 20/21</b>	<b>21/22 MTFS Adjustments (*)</b>	<b>21/22 Other Adjustments (***)</b>	<b>Approved Net Budget 21/22</b>
	<b>Expenditure</b>		<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
	Employees		78,600	0	78,600	2,300	(22,700)	58,200
	Transport Related		200	0	200	0	0	200
	<b>Income</b>							
	Recharges		(15,300)	0	(15,300)	0	(900)	(16,200)
	<b>Net Expenditure</b>		<b>63,500</b>	<b>0</b>	<b>63,500</b>	<b>2,300</b>	<b>(23,600)</b>	<b>42,200</b>

(\*) The MTFS adjustment relates to pay inflation of £2.3k

(\*\*\*) This adjustment is required to align the pay inflation and shared services recharge to the actual sum required to cover an increase in payroll costs.

W4199	<b>Central Service Overheads</b>	<b>Catherine Bowen</b>	<b>20/21 Base Net Budget</b>	<b>20/21 In Year Virements (**)</b>	<b>Final Budget 20/21</b>	<b>21/22 MTFS Adjustments (*)</b>	<b>21/22 Other Adjustments (***)</b>	<b>Approved Net Budget 21/22</b>
	<b>Expenditure</b>		<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
	Supplies & Services		9,042	9,500	18,542	0	0	18,542
	<b>Income</b>							
Recharges		(900)	0	(900)	0	0	(900)	
	<b>Net Expenditure</b>		<b>8,142</b>	<b>9,500</b>	<b>17,642</b>	<b>0</b>	<b>0</b>	<b>17,642</b>

(\*\*) The in year 20/21 virement is the realignment of overhead budgets such as stationery and office equipment

W6040	Borrowing Costs	Pauline Henstock	20/21 Base Net	20/21 In Year	Final Budget	21/22 MTFS	21/22 Other	Approved Net
			Budget	Virements (**)	20/21	Adjustments	Adjustments	Budget 21/22
			£'s	£'s	£'s	£'s	£'s	£'s
	Expenditure							
	Capital Charges		1,325,575	0	1,325,575	0	0	1,325,575
	Income							
	Recharges		(27,500)	0	(27,500)	0	0	(27,500)
	<b>Net Expenditure</b>		<b>1,298,075</b>	<b>0</b>	<b>1,298,075</b>	<b>0</b>	<b>0</b>	<b>1,298,075</b>

W6050	Interest & Investment Income	Pauline Henstock	20/21 Base Net	20/21 In Year	Final Budget	21/22 MTFS	21/22 Other	Approved Net
			Budget	Virements (**)	20/21	Adjustments	Adjustments	Budget 21/22
			£'s	£'s	£'s	£'s	£'s	£'s
	Income							
	Interest		(105,321)	0	(105,321)	0	0	(105,321)
	<b>Net Expenditure</b>		<b>(105,321)</b>	<b>0</b>	<b>(105,321)</b>	<b>0</b>	<b>0</b>	<b>(105,321)</b>

Cost Centre Control Total	5,560,478	0	5,560,478	322,300	16,100	5,898,878
Summary Total	5,560,478	0	5,560,478	322,300	16,100	5,898,878
<b>Variance</b>	0	0	0	0	0	0

**West Devon Borough Council**  
**Place & Enterprise Budgets 2021/22**

Cost Centre Code	Cost Centre Description	Budget Manager	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Final Budget 21/22 £'s
1	W1030 Economic Development	Sarah Gibson	63,862	0	63,862	0	(4,571)	59,291
2	W1060 Community Development	Sarah Gibson	42,500	0	42,500	0	0	42,500
3	W1102 Tamar Valley Trust	Laura Wotton	48,982	0	48,982	0	10,000	58,982
4	W1104 Land & Investment Properties	Laura Wotton	(1,061,600)	0	(1,061,600)	(20,000)	0	(1,081,600)
5	W1161 Kilworthy Park Offices	Laura Wotton	252,626	0	252,626	0	(3,234)	249,392
6	W1200 Public Transport Assistance	Sarah Gibson	13,185	0	13,185	0	0	13,185
7	W1306 Countryside Recreation	Laura Wotton	10,080	0	10,080	0	0	10,080
8	W1309 Tree Maintenance	Laura Wotton	0	0	0	0	20,000	20,000
9	W1311 Outdoor Sports & Recreation	Laura Wotton	12,810	0	12,810	0	0	12,810
10	W1400 Employment Estates	Laura Wotton	(63,717)	0	(63,717)	0	12,986	(50,731)
11	W1553 Housing Enabling	Sarah Gibson	240	0	240	0	0	240
12	W2101 Car Parking	Laura Wotton	(612,061)	0	(612,061)	6,900	(13,768)	(618,929)
13	W2310 Dog Warden Service	Laura Wotton	3,322	0	3,322	0	0	3,322
14	W2400 Public Conveniences	Sarah Gibson	127,799	0	127,799	(15,000)	(900)	111,899
15	W2721 Waste Depots	Laura Wotton	64,814	0	64,814	0	(9,513)	55,301
			<b>(1,097,158)</b>	<b>0</b>	<b>(1,097,158)</b>	<b>(28,100)</b>	<b>11,000</b>	<b>(1,114,258)</b>

(\*) MTFS - Medium Term Financial Strategy, cost pressures and savings agreed as part of the budget process

(\*\*) 2020/21 Virements - movements in budgets to better reflect where budget responsibility should be held, virements always net to zero.

(\*\*\*) Other Adjustments = budget changes required to align expenditure & income to the current management structure, these adjustments net to zero.

W1030	Economic Development	Sarah Gibson	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Approved Net Budget 21/22 £'s
			<b>63,862</b>	<b>0</b>	<b>63,862</b>	<b>0</b>	<b>(4,571)</b>	<b>59,291</b>
<b>Expenditure</b>			<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
Premises Related			12,671	0	12,671	0	(4,571)	8,100
Supplies & Services			51,191	0	51,191	0	0	51,191
<b>Net Expenditure</b>			<b>63,862</b>	<b>0</b>	<b>63,862</b>	<b>0</b>	<b>(4,571)</b>	<b>59,291</b>

(\*\*\*) This adjustment is required to realign the National Non Domestic Rates budget

W1060	Community Development	Sarah Gibson	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Approved Net Budget 21/22 £'s
			<b>42,500</b>	<b>0</b>	<b>42,500</b>	<b>0</b>	<b>0</b>	<b>42,500</b>
<b>Expenditure</b>			<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
Supplies & Services			42,500	0	42,500	0	0	42,500
<b>Net Expenditure</b>			<b>42,500</b>	<b>0</b>	<b>42,500</b>	<b>0</b>	<b>0</b>	<b>42,500</b>

W1102	Tamar Valley Trust	Laura Wotton	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Approved Net Budget 21/22 £'s
			<b>48,982</b>	<b>0</b>	<b>48,982</b>	<b>0</b>	<b>10,000</b>	<b>58,982</b>
<b>Expenditure</b>			<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
Premises Related			52,332	0	52,332	0	10,000	62,332
Supplies & Services			26,030	0	26,030	0	0	26,030
<b>Income</b>			<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
Fees & Charges			(15,330)	0	(15,330)	0	0	(15,330)
Rent			(14,050)	0	(14,050)	0	0	(14,050)
<b>Net Expenditure</b>			<b>48,982</b>	<b>0</b>	<b>48,982</b>	<b>0</b>	<b>10,000</b>	<b>58,982</b>

(\*\*\*) This adjustment is required to realign the National Non Domestic Rates budget

W1104	Land & Investment Properties	Laura Wotton	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Approved Net Budget 21/22 £'s
			<b>(1,061,600)</b>	<b>0</b>	<b>(1,061,600)</b>	<b>(20,000)</b>	<b>0</b>	<b>(1,081,600)</b>
<b>Expenditure</b>			<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
Premises Related			37,000	0	37,000	0	0	37,000
<b>Income</b>			<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
Rent			(1,098,600)	0	(1,098,600)	(20,000)	0	(1,118,600)
<b>Net Expenditure</b>			<b>(1,061,600)</b>	<b>0</b>	<b>(1,061,600)</b>	<b>(20,000)</b>	<b>0</b>	<b>(1,081,600)</b>

(\*) The MTFS adjustment of additional income (£20k) relates to the net rental income from investments in commercial property

W1161	Kilworthy Park Offices	Laura Wotton	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Approved Net Budget 21/22 £'s
			<b>252,626</b>	<b>0</b>	<b>252,626</b>	<b>0</b>	<b>(3,234)</b>	<b>249,392</b>
<b>Expenditure</b>			<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
Employees			102,900	0	102,900	3,000	100	106,000
Premises Related			267,916	0	267,916	2,000	(8,474)	261,442
Transport Related			76	0	76	0	0	76
Supplies & Services			44,484	0	44,484	(5,000)	0	39,484
<b>Income</b>			<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
Fees & Charges			(4,000)	0	(4,000)	0	0	(4,000)
Rent			(136,550)	0	(136,550)	0	5,540	(131,010)
Recharges			(22,200)	0	(22,200)	0	(400)	(22,600)
<b>Net Expenditure</b>			<b>252,626</b>	<b>0</b>	<b>252,626</b>	<b>0</b>	<b>(3,234)</b>	<b>249,392</b>

(\*) The MTFS adjustment relates to pay inflation of £3.0k, reduction in running costs (£10k), price inflation on utilities and contracted services £7k

W1200	Public Transport Assistance	Sarah Gibson	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Approved Net Budget 21/22 £'s
			<b>13,185</b>	<b>0</b>	<b>13,185</b>	<b>0</b>	<b>0</b>	<b>13,185</b>
<b>Expenditure</b>			<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
Supplies & Services			13,185	0	13,185	0	0	13,185
<b>Net Expenditure</b>			<b>13,185</b>	<b>0</b>	<b>13,185</b>	<b>0</b>	<b>0</b>	<b>13,185</b>

W1306	Countryside Recreation	Laura Wotton	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Approved Net Budget 21/22 £'s
			<b>10,080</b>	<b>0</b>	<b>10,080</b>	<b>0</b>	<b>0</b>	<b>10,080</b>
<b>Expenditure</b>			<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
Premises Related			3,570	0	3,570	0	0	3,570
Supplies & Services			6,510	0	6,510	0	0	6,510
<b>Net Expenditure</b>			<b>10,080</b>	<b>0</b>	<b>10,080</b>	<b>0</b>	<b>0</b>	<b>10,080</b>

			20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
W1309	<b>Tree Maintenance</b>	Laura Wotton						
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Premises Related		0	0	0	0	20,000	20,000
	Supplies & Services		0	0	0	0	0	0
	<b>Net Expenditure</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>20,000</b>

(\*\*\*) This adjustment is the removal of the tree maintenance budget from Grounds Maintenance in the Customer Service & Delivery Budget to this new cost centre

			20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
W1311	<b>Outdoor Sports &amp; Recreation</b>	Laura Wotton						
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Supplies & Services		12,810	0	12,810	0	0	12,810
	<b>Net Expenditure</b>		<b>12,810</b>	<b>0</b>	<b>12,810</b>	<b>0</b>	<b>0</b>	<b>12,810</b>

			20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
W1400	<b>Employment Estates</b>	Laura Wotton						
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Premises Related		147,189	0	147,189	0	12,986	160,175
	Supplies & Services		36,012	0	36,012	0	0	36,012
	Capital Charges		80,707	0	80,707	0	0	80,707
	<b>Income</b>							
	Fees & Charges		(9,500)	0	(9,500)	0	0	(9,500)
	Rent		(311,125)	0	(311,125)	0	0	(311,125)
	Recharges		(7,000)	0	(7,000)	0	0	(7,000)
	<b>Net Expenditure</b>		<b>(63,717)</b>	<b>0</b>	<b>(63,717)</b>	<b>0</b>	<b>12,986</b>	<b>(50,731)</b>

(\*\*\*) This adjustment is required to realign the National Non Domestic Rates budget

			20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
W1553	<b>Housing Enabling</b>	Sarah Gibson						
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Employees		98	0	98	0	0	98
	Supplies & Services		5,000	0	5,000	0	0	5,000
	<b>Income</b>							
Rent		(4,858)	0	(4,858)	0	0	(4,858)	
	<b>Net Expenditure</b>		<b>240</b>	<b>0</b>	<b>240</b>	<b>0</b>	<b>0</b>	<b>240</b>

			20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
W2101	<b>Car Parking</b>	Laura Wotton						
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Employees		92,400	0	92,400	2,800	(2,200)	93,000
	Premises Related		211,525	0	211,525	0	(11,568)	199,957
	Transport Related		9,220	0	9,220	0	0	9,220
	Supplies & Services		60,620	0	60,620	4,100	0	64,720
	Third Party Payments		90,000	0	90,000	0	0	90,000
	Transfer Payments		50,000	0	50,000	0	0	50,000
	Capital Charges		20,787	0	20,787	0	0	20,787
	<b>Income</b>							
	Fees & Charges		(1,123,893)	0	(1,123,893)	0	0	(1,123,893)
	Rent		(2,300)	0	(2,300)	0	0	(2,300)
	Recharges		(20,420)	0	(20,420)	0	0	(20,420)
	<b>Net Expenditure</b>		<b>(612,061)</b>	<b>0</b>	<b>(612,061)</b>	<b>6,900</b>	<b>(13,768)</b>	<b>(618,929)</b>

(\*) The MTFS adjustment relates to pay inflation of £2.8k, and price inflation on payment collection costs £4.1k

(\*\*\*) This adjustment is required to align the pay inflation to the actual sum required to cover an increase in payroll costs (£2.2k), the realignment of the National Non Domestic Rates budget (£11.56k)

The salary costs of staff delivering these services are sat within the case management and specialist budgets. An appropriate allocation of these costs will be apportioned to this budget for staff costs along with support services and central overheads.

The net difference between income and expenditure will be used to support costs associated with the operation and maintenance of parking services, its infrastructure and the maintenance of off street car parks. It is also used to support and provide other council services such as public toilets, street cleansing, parks and open spaces and other lawfully incurred identified expenditure.

			20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
W2310	<b>Dog Warden Service</b>	Laura Wotton						
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Transport Related		3,600	0	3,600	0	0	3,600
	Supplies & Services		5,922	0	5,922	0	0	5,922
	<b>Income</b>							
Recharges		(6,200)	0	(6,200)	0	0	(6,200)	
	<b>Net Expenditure</b>		<b>3,322</b>	<b>0</b>	<b>3,322</b>	<b>0</b>	<b>0</b>	<b>3,322</b>

			20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
W2400	<b>Public Conveniences</b>	Sarah Gibson						
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s
	Premises Related		78,508	0	78,508	(18,000)	(900)	59,608
	Supplies & Services		2,710	0	2,710	0	0	2,710
	Third Party Payments		75,300	0	75,300	3,000	0	78,300
	Capital Charges		9,481	0	9,481	0	0	9,481
	<b>Income</b>							
	Fees & Charges		(7,750)	0	(7,750)	0	0	(7,750)
	Recharges		(30,450)	0	(30,450)	0	0	(30,450)
Corporate Items		0	0	0	0	0	0	
	<b>Net Expenditure</b>		<b>127,799</b>	<b>0</b>	<b>127,799</b>	<b>(15,000)</b>	<b>(900)</b>	<b>111,899</b>

(\*) The MTFS adjustment relates to removal of funding for National Non Domestic Rates (£18.0k), Contract price inflation £3.0k

(\*\*\*) This adjustment is required to realign the removal of the National Non Domestic Rates budget

			20/21 Base Net Budget	20/21 In Year Virements (**)	Final Budget 20/21	21/22 MTFS Adjustments (*)	21/22 Other Adjustments (***)	Approved Net Budget 21/22
	<b>Waste Depots</b>	Laura Wotton						
	<b>Expenditure</b>		£'s	£'s	£'s	£'s	£'s	£'s

<b>W2721</b>	Premises Related	67,814	0	67,814	0	(9,513)	58,301
	Supplies & Services	5,000	0	5,000	0	0	5,000
	<b>Income</b>						
	Rent	(8,000)	0	(8,000)	0	0	(8,000)
	<b>Net Expenditure</b>	<b>64,814</b>	<b>0</b>	<b>64,814</b>	<b>0</b>	<b>(9,513)</b>	<b>55,301</b>

(\*\*\*) This adjustment is required to realign the National Non Domestic Rates budget

Cost Centre Control Total	(1,097,158)	0	(1,097,158)	(28,100)	11,000	(1,114,258)
Summary Total	(1,097,158)	0	(1,097,158)	(28,100)	11,000	(1,114,258)
<b>Variance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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**West Devon Borough Council**  
**Governance & Assurance Budgets 2021/22**

Cost Centre Code	Cost Centre Description	Budget Manager	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Final Budget 21/22 £'s
1	W1310 Leisure Centres	Jane Savage	143,077	0	143,077	(117,000)	0	26,077
2	W2017 Street Cleaning	Jane Savage	469,945	0	469,945	16,000	0	485,945
3	W2701 Waste & Recycling Collection Contract	Jane Savage	1,767,739	0	1,767,739	11,000	(246,200)	1,532,539
4	W2713 Trade Waste Services	Jane Savage	(15,000)	0	(15,000)	0	1,700	(13,300)
5	W2715 Garden Waste Collection	Jane Savage	(190,000)	0	(190,000)	(40,000)	244,500	14,500
6	W3001 Electoral Registration	Neil Hawke	96,145	0	96,145	2,000	(900)	97,245
7	W3030 Staff Forum	Lesley Crocker	5,000	0	5,000	0	0	5,000
8	W3041 Communications & Media	Lesley Crocker	66,030	(30,900)	35,130	1,000	2,300	38,430
9	W3050 Democratic Representation & Management	Darryl White	246,035	0	246,035	0	0	246,035
10	W3051 Member Support & Democratic Services	Darryl White	85,750	0	85,750	2,600	16,500	104,850
11	W4200 Insurance	Neil Hawke	83,231	0	83,231	0	0	83,231
12	W4511 Building Control Services	Jane Savage	38,469	0	38,469	0	0	38,469
			<b>2,796,421</b>	<b>(30,900)</b>	<b>2,765,521</b>	<b>(124,400)</b>	<b>17,900</b>	<b>2,659,021</b>

(\*) MTFS - Medium Term Financial Strategy, cost pressures and savings agreed as part of the budget process

(\*\*) 2020/21 Virements - movements in budgets to better reflect where budget responsibility should be held, virements always net to zero.

(\*\*\*) Other Adjustments = budget changes required to align expenditure & income to the current management structure, these adjustments net to zero.

W1310	Leisure Centres	Jane Savage	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Approved Net Budget 21/22 £'s
	<b>Expenditure</b>							
	Capital Charges		223,077	0	223,077	0	0	223,077
	<b>Income</b>							
	Recharges		(80,000)	0	(80,000)	(117,000)	0	(197,000)
	<b>Net Expenditure</b>		<b>143,077</b>	<b>0</b>	<b>143,077</b>	<b>(117,000)</b>	<b>0</b>	<b>26,077</b>

(\*) The MTFS adjustment relates to the savings from the leisure contract

W2017	Street Cleaning	Jane Savage	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Approved Net Budget 21/22 £'s
	<b>Expenditure</b>							
	Premises Related		11,350	0	11,350	0	0	11,350
	Supplies & Services		2,250	0	2,250	0	0	2,250
	Third Party Payments		465,845	0	465,845	16,000	0	481,845
	<b>Income</b>							
	Recharges		(9,500)	0	(9,500)	0	0	(9,500)
	<b>Net Expenditure</b>		<b>469,945</b>	<b>0</b>	<b>469,945</b>	<b>16,000</b>	<b>0</b>	<b>485,945</b>

(\*) The MTFS adjustment of £16.0k is contract price inflation

W2701	Waste & Recycling Collection Contract	Jane Savage	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Approved Net Budget 21/22 £'s
	<b>Expenditure</b>							
	Premises Related		5,000	0	5,000	0	0	5,000
	Supplies & Services		113,813	0	113,813	0	(35,000)	78,813
	Third Party Payments		1,739,428	0	1,739,428	61,000	(211,200)	1,589,228
	Capital Charges		189,603	0	189,603	0	0	189,603
	<b>Income</b>							
	Fees & Charges		(6,705)	0	(6,705)	0	0	(6,705)
	Sales		(1,050)	0	(1,050)	0	0	(1,050)
	Other Grants & Contributions		(270,350)	0	(270,350)	0	0	(270,350)
	Recharges		(2,000)	0	(2,000)	(50,000)	0	(52,000)
	<b>Net Expenditure</b>		<b>1,767,739</b>	<b>0</b>	<b>1,767,739</b>	<b>11,000</b>	<b>(246,200)</b>	<b>1,532,539</b>

(\*) This MTFS adjustment of £61.0k is contract price inflation, and (£50.0k) income from three weekly waste collection trials

(\*\*\*) This adjustment is required to realign the contract budgets, transferring £1.7k to Trade Waste Services and £244.5k to Garden Waste Services

W2713	Trade Waste Services	Jane Savage	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Approved Net Budget 21/22 £'s
	<b>Expenditure</b>							
	Third Party Payments		0	0	0	0	1,700	1,700
	<b>Income</b>							
	Fees & Charges		(15,000)	0	(15,000)	0	0	(15,000)
	<b>Net Expenditure</b>		<b>(15,000)</b>	<b>0</b>	<b>(15,000)</b>	<b>0</b>	<b>1,700</b>	<b>(13,300)</b>

(\*\*\*) This adjustment is required to realign the contract budgets, transferring £1.7k from the Household Waste & Recycling budget

W2715	Garden Waste Collection	Jane Savage	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Approved Net Budget 21/22 £'s
	<b>Expenditure</b>							
	Employees		40,000	(40,000)	0	0	0	0
	Supplies & Services		92,500	(77,500)	15,000	0	0	15,000
	Third Party Payments		0	0	0	0	244,500	244,500
	<b>Income</b>							
	Fees & Charges		(322,500)	117,500	(205,000)	(40,000)	0	(245,000)
	<b>Net Expenditure</b>		<b>(190,000)</b>	<b>0</b>	<b>(190,000)</b>	<b>(40,000)</b>	<b>244,500</b>	<b>14,500</b>

(\*) This MTFS adjustment of (£40.0k) is additional service income due to higher than anticipated uptake of the scheme

(\*\*\*) This adjustment is required to realign the contract budgets, transferring £244.5k from the Household Waste & Recycling budget

W3001	Electoral Registration	Neil Hawke	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Approved Net Budget 21/22 £'s
	<b>Expenditure</b>							
	Employees		67,700	0	67,700	2,000	(900)	68,800
	Premises Related		1,500	0	1,500	0	0	1,500
	Transport Related		0	0	200	0	0	200
	Supplies & Services		28,045	0	28,045	0	0	28,045

	<b>Income</b>							
	Sales	(1,300)	0	(1,300)	0	0	(1,300)	
	<b>Net Expenditure</b>	<b>96,145</b>	<b>0</b>	<b>96,145</b>	<b>2,000</b>	<b>(900)</b>	<b>97,245</b>	

(\*) The MTFS adjustment relates to pay inflation of £2.0k

(\*\*\*) This adjustment is required to align the pay inflation to the actual sum required to cover payroll costs

W3030	<b>Staff Forum</b>	<b>Lesley Crocker</b>	<b>20/21 Base Net Budget</b>	<b>20/21 In Year Virements (**)</b>	<b>Final Budget 20/21</b>	<b>21/22 MTFS Adjustments (*)</b>	<b>21/22 Other Adjustments (***)</b>	<b>Approved Net Budget 21/22</b>
	<b>Expenditure</b>		<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
	Supplies & Services		5,000	0	5,000	0	0	5,000
	<b>Net Expenditure</b>		<b>5,000</b>	<b>0</b>	<b>5,000</b>	<b>0</b>	<b>0</b>	<b>5,000</b>

W3041	<b>Communications &amp; Media</b>	<b>Lesley Crocker</b>	<b>20/21 Base Net Budget</b>	<b>20/21 In Year Virements (**)</b>	<b>Final Budget 20/21</b>	<b>21/22 MTFS Adjustments (*)</b>	<b>21/22 Other Adjustments (***)</b>	<b>Approved Net Budget 21/22</b>
	<b>Expenditure</b>		<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
	Employees		94,860	(61,700)	33,160	1,000	2,300	36,460
	Supplies & Services		5,470	0	5,470	0	0	5,470
	<b>Income</b>							
Recharges		(34,300)	30,800	(3,500)	0	0	(3,500)	
	<b>Net Expenditure</b>		<b>66,030</b>	<b>(30,900)</b>	<b>35,130</b>	<b>1,000</b>	<b>2,300</b>	<b>38,430</b>

(\*) The MTFS adjustment relates to pay inflation of £1.0k

(\*\*\*) This adjustment is required to align the pay inflation to the actual sum required to cover payroll costs

W3050	<b>Democratic Representation &amp; Management</b>	<b>Darryl White</b>	<b>20/21 Base Net Budget</b>	<b>20/21 In Year Virements (**)</b>	<b>Final Budget 20/21</b>	<b>21/22 MTFS Adjustments (*)</b>	<b>21/22 Other Adjustments (***)</b>	<b>Approved Net Budget 21/22</b>
	<b>Expenditure</b>		<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
	Supplies & Services		249,635	0	249,635	0	0	249,635
	<b>Income</b>							
Recharges		(3,600)	0	(3,600)	0	0	(3,600)	
	<b>Net Expenditure</b>		<b>246,035</b>	<b>0</b>	<b>246,035</b>	<b>0</b>	<b>0</b>	<b>246,035</b>

W3051	<b>Member Support &amp; Democratic Services</b>	<b>Darryl White</b>	<b>20/21 Base Net Budget</b>	<b>20/21 In Year Virements (**)</b>	<b>Final Budget 20/21</b>	<b>21/22 MTFS Adjustments (*)</b>	<b>21/22 Other Adjustments (***)</b>	<b>Approved Net Budget 21/22</b>
	<b>Expenditure</b>		<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
	Employees		85,350	0	85,350	2,600	16,500	104,450
	Transport Related		400	0	400	0	0	400
	<b>Net Expenditure</b>		<b>85,750</b>	<b>0</b>	<b>85,750</b>	<b>2,600</b>	<b>16,500</b>	<b>104,850</b>

(\*) The MTFS adjustment relates to pay inflation of £2.6k

W4200	<b>Insurance</b>	<b>Neil Hawke</b>	<b>20/21 Base Net Budget</b>	<b>20/21 In Year Virements (**)</b>	<b>Final Budget 20/21</b>	<b>21/22 MTFS Adjustments (*)</b>	<b>21/22 Other Adjustments (***)</b>	<b>Approved Net Budget 21/22</b>
	<b>Expenditure</b>		<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
	Employees		29,260	0	29,260	0	0	29,260
	Premises Related		43,678	0	43,678	0	0	43,678
	Transport Related		10,293	0	10,293	0	0	10,293
	<b>Net Expenditure</b>		<b>83,231</b>	<b>0</b>	<b>83,231</b>	<b>0</b>	<b>0</b>	<b>83,231</b>

W4511	<b>Building Control Services</b>	<b>Jane Savage</b>	<b>20/21 Base Net Budget</b>	<b>20/21 In Year Virements (**)</b>	<b>Final Budget 20/21</b>	<b>21/22 MTFS Adjustments (*)</b>	<b>21/22 Other Adjustments (***)</b>	<b>Approved Net Budget 21/22</b>
	<b>Expenditure</b>		<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
	Third Party Payments		38,469	0	38,469	0	0	38,469
	<b>Net Expenditure</b>		<b>38,469</b>	<b>0</b>	<b>38,469</b>	<b>0</b>	<b>0</b>	<b>38,469</b>

Cost Centre Control Total		2,796,421	(30,900)	2,765,521	(124,400)	17,900	2,659,021
Summary Total		2,796,421	(30,900)	2,765,521	(124,400)	17,900	2,659,021
Variance		0	0	0	0	0	0

**West Devon Borough Council**  
**Strategic Finance Budgets 2021/22**

Cost Centre Code	Cost Centre Description	Budget Manager	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Final Budget 21/22 £'s
1	W4009 Non Distributed Costs	Lisa Buckle	546,342	30,900	577,242	(80,000)	(45,000)	452,242
2	W4010 Inflation/Pension Provision	Lisa Buckle	0	0	0	0	0	0
3	W4011 Steady State Review	Lisa Buckle	0	0	0	0	0	0
4	W6021 Council Tax Support Grant	Lisa Buckle	0	0	0	0	0	0
5	W6101 Business Rates Income	Lisa Buckle	(40,000)	0	(40,000)	0	0	(40,000)
			<b>506,342</b>	<b>30,900</b>	<b>537,242</b>	<b>(80,000)</b>	<b>(45,000)</b>	<b>412,242</b>

(\*) MTFS - Medium Term Financial Strategy, cost pressures and savings agreed as part of the budget process

(\*\*) 2020/21 Virements - movements in budgets to better reflect where budget responsibility should be held, virements always net to zero.

(\*\*\*) Other Adjustments = budget changes required to align expenditure & income to the current management structure, these adjustments net to zero.

W4009	Non Distributed Costs	Lisa Buckle	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Approved Net Budget 21/22 £'s
	<b>Expenditure</b>							
	Employees		120,000	0	120,000	0	0	120,000
	Corporate Items		426,342	30,900	457,242	(80,000)	(45,000)	332,242
	<b>Net Expenditure</b>		<b>546,342</b>	<b>30,900</b>	<b>577,242</b>	<b>(80,000)</b>	<b>(45,000)</b>	<b>452,242</b>

(\*) The MTFS adjustment relates to a reduction in pension employer secondary rate contributions (£80.0k)

(\*\*\*) This adjustment relates to the reconfiguration of the provision for pension costs of former employees of West Devon Borough Council

W4010	Inflation/Pension Provision	Lisa Buckle	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Approved Net Budget 21/22 £'s
	<b>Expenditure</b>							
	Corporate Items		0	0	0	0	0	0
	<b>Net Expenditure</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

W4011	Steady State Review	Lisa Buckle	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Approved Net Budget 21/22 £'s
	<b>Expenditure</b>							
	Corporate Items		0	0	0	0	0	0
	<b>Net Expenditure</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

W6021	Council Tax Support Grant	Lisa Buckle	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Approved Net Budget 21/22 £'s
	<b>Expenditure</b>							
	Corporate Items		0	0	0	0	0	0
	<b>Net Expenditure</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

W6101	Business Rates Income	Lisa Buckle	20/21 Base Net Budget £'s	20/21 In Year Virements (**) £'s	Final Budget 20/21 £'s	21/22 MTFS Adjustments (*) £'s	21/22 Other Adjustments (***) £'s	Approved Net Budget 21/22 £'s
	<b>Expenditure</b>							
	Income							
	Recharges		(40,000)	0	(40,000)	0	0	(40,000)
	<b>Net Expenditure</b>		<b>(40,000)</b>	<b>0</b>	<b>(40,000)</b>	<b>0</b>	<b>0</b>	<b>(40,000)</b>

	Cost Centre Control Total		506,342	30,900	537,242	(80,000)	(45,000)	412,242
	Summary Total		506,342	30,900	537,242	(80,000)	(45,000)	412,242
	Variance		0	0	0	0	0	0

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