

EXTRACTS FROM AUDIT REPORTS WITH MODERATE OR LOW LEVEL OF ASSURANCE ISSUED QUARTER 4 2010/11

Business Continuity Management – 21 March 2011

1. INTRODUCTION

- 1.1. As part of the 2010/2011 Audit Plan an audit has recently been completed on the systems and procedures in place to deal with Business Continuity Management.
- 1.2. This report outlines the approach to the audit and presents the findings and conclusions arising.

2. SCOPE AND OBJECTIVES OF AUDIT

- 2.1 The purpose of the audit was to assess the arrangements in place to deal with Business Continuity Management (BCM), not only to ensure that the Council maintains the provision of services in the event of a disruption but also to ensure compliance with the Civil Contingencies Act 2004 (the Act).
- 2.2 Specifically the audit examined how the Council complies with the following duties under the Act:
 - (a) Put in place BCM arrangements.
 - (b) Provide advice and assistance to businesses and voluntary organisations about BCM
- 2.3 As part of the BCM process service areas have a duty to prepare Service Area Crisis Plans (SACPs) and compliance with this was assessed.
- 2.4 The audit also reviewed the status of the recommendations from the last audit of BCM in March 2008.

3. BACKGROUND

- 3.1 The purpose of the audit was to assess the arrangements in place to deal with Business Continuity Management (BCM), not only to ensure that the Council maintains the provision of services in the event of a disruption but also to ensure compliance with the Civil Contingencies Act 2004 (the Act).
- 3.2 The Civil Contingencies Act 2004 deals primarily with emergency planning and the consequences of emergencies which threaten human welfare, the environment, war, terrorism and security. Included in the legislation is a duty for local authorities, and certain other bodies, to put in place BCM arrangements.
- 3.3 BCM and Emergency Planning sit alongside each other in many respects and the principles and approaches are very similar. The main difference is that

while BCM can impact on a wide area, it is normally more of an internal, WDC specific, issue.

- 3.4 The aim of the WDC Corporate Business Continuity Plan (CBCP) is 'To outline the BCM arrangements which would be put into place in response to a business interruption incident affecting the Riverside House offices of Warwick District Council' and 'To also consider the application of business continuity measures when responding to an emergency situation affecting the people, places and resources of Warwick District and ensuring that this document integrates with the Major Emergency Plan (MEP)'.

4. FINDINGS

- 4.1 In overall terms the audit concluded that there are sound systems and procedures in place to deal with BCM.

- 4.2 In terms of the impact and scale, the types of emergencies that will be managed under the CBCP might be seen as of lesser significance than those managed under the Major Emergency Plan. However the CBCP impacts on all of the Council's service areas and as a result it is a more complex document than the MEP.

- 4.3 The audit did not examine every aspect of the CBCP in detail but concerned itself with the key areas and it is on that basis that an opinion is provided.

- 4.4 In respect of the areas listed at Section 2, scope and objectives, the findings are as follows:

4.5 Put in place Business Continuity Management Arrangements

- 4.5.1 At the time of the last audit the Council had in place a CBCP which had been endorsed by CMT but not by members.

- 4.5.2 In October 2009 following a period of review, which included ensuring that the Plan complied with the general principles of British Standard for Business Continuity and best practice advice, a revised CBCP was presented to Executive and approved.

- 4.5.3 At the same time, as a result of another of the recommendations from the previous audit, a Corporate Business Continuity Policy was presented to Executive and approved.

- 4.5.4 As with Emergency Planning, Executive agreed at the same time to delegate the approval of minor amendments to the CBCP to the Chief Executive and Deputy Chief Executives in order to avoid a constant stream of reports to them.

- 4.5.5 The CBCP is a living document and so subject to annual review, testing and training. Training is provided across the whole range of staff for the Emergency Plan and the similarity of the two plans really doesn't warrant separate training programmes and exercises.

- 4.5.6 At Service area testing of their own SACPs is at their discretion. This aspect

was not examined in detail but the current SACPs supplied for the audit do not record any reference to service specific exercises only the MEP exercises. The Civil Contingencies Officers are hoping to address this question in the future.

4.6 Provide advice and assistance to businesses and voluntary organisations about BCM

4.6.1 The WDC website contains some basic information on BCM and a link to the WCC website page on BCM. This contains links to a range of other information including details of publications and events.

4.6.2 WCC provide advice on BCM to the Council so that officers are kept informed and can then pass on that knowledge where necessary e.g. Town Centre Managers.

4.6.3 The Civil Contingencies Officers will provide advice and assistance when appropriate during the normal course of their duties and contact with partners e.g. Town and Parish Councils. They will also respond to any individual requests from local businesses and other organisations.

4.7 Service Area Crisis Plans (SACPs)

4.7.1 As part of BCM, service areas have a duty to prepare their own SACPs for Business Continuity and Emergencies. Critical business functions by service area are listed in the CBCP but it is the SACPs that provide the detailed response.

4.7.2 The SACPs supplied for the audit were generally patchy and incomplete, in need of updating and for two service areas, Development Services and Environmental Services, absent altogether. In mitigation the Council is currently facing challenges on an unprecedented scale so updating of the SACPs probably isn't seen as a priority. In addition the impending senior management changes will have an effect on service area responsibilities that would render any recently updated SACPs inaccurate .

4.7.3 The Civil Contingencies Officer has recently requested that SACPs are updated and forwarded to him but there has been no response. He will continue to pursue the matter but as the processes are in place the accuracy of some of the detail is not seen as a risk.

Assurance Opinion: Moderate.

Development Control – 31 March 2011

1. INTRODUCTION

1.1 In accordance with the Audit Plan for 2010/11, an examination of the above subject area has been undertaken and this report presents the findings and conclusions drawn from the audit for information and action where appropriate.

1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and co-operation received during the audit.

2. BACKGROUND

2.1 Development Services are currently going through a 'Lean Systems Intervention'. As a result of this exercise, the processes followed are likely to change.

2.2 As a result, the scope of the audit (see below) was limited to cover specific areas as requested by the Head of Development Services.

3. SCOPE AND OBJECTIVES OF THE AUDIT

3.1 In terms of scope, the audit covered the following areas:

- Delegated decisions
- Committee decisions
- Appeals

3.2 The audit programme identified the expected controls. The control objectives examined were:

- Decisions on planning applications dealt with are arrived at by the appropriate officers or Members.
- The Planning Committee is provided with an appropriate level of detail to enable them to reach an informed decision on each application.
- Planning appeals received are dealt with by an appropriate officer.
- Planning appeals are dealt with in a timely manner.

4. FINDINGS

4.1 Delegated Decisions

4.1.1 There is a formal scheme of delegation in place which is set out within the Council's constitution. Within this scheme, the Head of Development Services has the delegated power to determine all planning applications submitted to the Council under relevant planning laws except in certain cases which are also detailed.

- 4.1.2 The Head of Development Services has formally delegated these powers further to the Planning Enforcement Manager and the Principal (Area) Planning Officers.
- 4.1.3 The need for delegation is clearly set out for potential applicants on the Council's website, detailing when the decisions will not be delegated and will require consideration by the Planning Committee.
- 4.1.4 If an application is to follow the delegated route, the assigned case officer will formally set out their decisions and the relevant reasons on a Delegated Decisions Worksheet (once all relevant visits, consultations etc. have been completed). They will sign this document accordingly.
- 4.1.5 This worksheet, along with the file containing the application form and the plans, will then be passed to the relevant Area Planning Officer (APO). The APO will then review the decision, checking for consistency within the document, i.e. ensuring that the decision reached ties in with the information provided, and for consistency across the district, i.e. ensuring that the same conclusions are being drawn for similar cases that are dealt with. If refusal has been recommended, the details will also be checked to ensure that this is considered to be defensible if the decision was appealed.
- 4.1.6 Once the APO has checked the worksheet and has agreed with the conclusion reached, they will sign off the worksheet to authorise the planning application.
- 4.1.7 The APOs advised that they are normally aware of any potential issues relating to the applications as each case is discussed during the team meetings that are regularly held. These meetings are not minuted, although the individual Planning Officers are expected to record a note relating to these discussions against each relevant record on the Acolaid system.
- 4.1.8 A sample of delegated decisions was tested to ensure that the delegated decision worksheets had been signed off as appropriate by both the case officer and the relevant APO and that the Acolaid system contained notes relating to the team meeting discussions held.
- 4.1.9 In two of the sampled cases, the delegated decision worksheet had been prepared but no signed copies of these documents could be located to confirm that these applications had received formal approval from the delegated officers. The APO advised that he believed it to be a document retention issue as opposed to a breakdown in the authorisation controls but agreed that there was no evidence to confirm this.

Recommendation

All signed delegated decision worksheets should be scanned into IDOX to ensure that evidence is retained confirming that applications have received appropriate approval.

4.1.10 In two separate cases, the Acolaid system did not contain details of the discussions held relating to the applications.

Recommendation

Planning Officers should be reminded of the need to record a note relating to the discussions held at team meetings against each relevant record on the Acolaid system.

4.2 Committee Decisions

4.2.1 The process for dealing with applications that are to follow the committee route are very similar to the delegated decisions in that the case officer will prepare a document for the APO to review, following discussion of the case at the team meeting. However, this document is written in committee report format.

4.2.2 The checks performed by the APO will be the same in general terms regarding the 'consistency' of the decision. However, there will also be a check of the way that the report is written, to ensure that it reads well and leads the reader (the Members) to a conclusion.

4.2.3 Following the review, the APO will 'sign off' the report on Acolaid, entering a date in the relevant field. It was ascertained, however, that the system does not actually record who had signed off the report and it was believed that the completion of this field was not restricted to specific staff (i.e. the APOs) in order for this to be an effective control.

4.2.4 However, the APO advised that it would be obvious if someone else had entered a date into this box as the completion of this field drives the production of the committee agendas, and it would become apparent to the APOs if a report appeared on the agenda that they had not signed off. Furthermore, the APO advised that staff were aware that the responsibility was restricted and it would be a disciplinary matter if a staff member approved their own report.

4.2.5 An audit of the Acolaid system is due to be performed in the next financial year and this issue will be followed up to confirm whether there is any control over who can enter a date into the relevant field and whether this can be controlled if it is not already being done.

4.2.6 Testing undertaken on a sample of applications that had followed the committee route highlighted that the 'report cleared date' field had been completed on the system but, in two of the cases, there was no record of the team meeting discussions held relating to the specific cases. The recommendation raised above is therefore relevant to both delegated and committee decisions.

4.2.7 The reports produced for these sampled cases were reviewed to ensure that they were clear and led the reader to the conclusion reached by the case officer. The testing concluded that the reports were sufficiently detailed.

4.2.8 One point to note was that the policies relevant to the individual

applications are listed within the report rather than spelling out in detail how each one would necessarily apply to the individual application. This was considered to be an appropriate method of conveying the information, assuming that members of the committee were appropriately conversant with the policies.

4.2.9 The APO advised that all members of the Planning Committee are provided with training on policies at the start of the four year committee cycle, although attendance was not compulsory.

4.3 Appeals

4.3.1 The Senior Appeals Officer (SAO) advised that, in the past, there had been a standalone Appeals section. However, to make the system more 'lean', this section had been removed which has allowed for a more flexible approach to be taken.

4.3.2 Planning application case officers generally deal with appeals in respect of their own cases which have been refused in accordance with their recommendation and which are to be determined by the written representations method. They are familiar with the case and it therefore saves time that another officer would need in order to familiarise themselves with it. Where this occurs, the delegated powers worksheet or committee report is effectively adopted as the appeal statement and work is confined to compiling the appeal questionnaire information.

4.3.3 Occasionally, where written representation appeals are complex or where the appellant has made an additional appeal submission, the SAO may handle the case and prepare a short appeal statement.

4.3.4 The SAO also deals with all appeals using the informal hearing and public inquiry procedures; most appeals relating enforcement notices and lawful development certificates; and all appeals where planning applications have been refused by the Planning Committee contrary to the officer's recommendation (i.e. the case officer had recommended that the application be granted, but the committee refused the application).

4.3.5 Such cases are dealt with by the SAO to ensure that there is no conflict of interests, i.e. the case officer does not have to prepare an argument for turning down the appeal when their initial report would suggest that the appeal be granted.

4.3.6 Testing undertaken on a sample of appeals dealt with identified three instances where the appeal related to a contrary decision. It was confirmed that the SAO had dealt with these appeals as appropriate.

4.3.7 There is, however, no formal process in place for deciding who deals with each case. The SAO stated that this allows for a degree of flexibility and resilience in the system so that workload variances and leave commitments can be accommodated.

4.3.8 When the appeal has been confirmed as valid by the Planning Inspectorate (i.e. they have accepted that the case can be dealt with), a letter will be

sent informing the Council of certain deadlines that have to met for different stages of the process.

- 4.3.9 These 'due dates' are entered onto the Acolaid system, but there is nothing within the system to remind staff of these approaching deadlines. Instead, the appeals administration and case officers are expected to keep their electronic diaries up to date and maintain their own reminders. The SAO uses the Outlook calendar to this effect.
- 4.3.10 Testing was performed on the sample of appeals to ensure that they had been dealt with in a timely manner. However, whilst relevant documentation was generally found, it was not always clear when the documents had been submitted.
- 4.3.11 The Acolaid system contains fields to record when the documents had been sent off but these had not been completed for the sampled cases. Evidence was, however, provided to suggest that these fields had been completed in some instances. Where evidence was held to suggest the date when the documents had been submitted, it appeared that four documents (questionnaires) had been submitted after the stated deadline.
- 4.3.12 However, the SAO advised that there was some leeway in the deadlines for these specific documents, and that priority is given to submitting appeal statements. This is because the Planning Inspectorate do not admit late appeal statements as evidence and the failure to clarify and amplify the Council's case adequately can lead to a cost award against the Council. Furthermore, the SAO also highlighted the impact on resources available to undertake the appeals process resulting from frozen posts and the priority given to undertaking the lean systems thinking exercise.

Recommendations

The relevant Acolaid fields should be completed with submission dates for the relevant documents in all cases.

Efforts should be made to ensure that all documentation is submitted within the deadlines set out by the Planning Inspectorate.

Assurance Opinion: Moderate.

Housing Rents – 29 March 2011

1. INTRODUCTION

1.1. In accordance with the Audit Plan for 2010/11, Ian Wilson, Senior Internal Auditor has completed an examination of the above subject area and this report presents the findings and conclusions for information and action where applicable.

1.2. Wherever possible, results obtained have been discussed with the staff involved in the various procedures examined and their views are incorporated, where appropriate, in any recommendations made. My thanks are extended to all concerned for the help and co-operation received during the audit.

2. SCOPE AND OBJECTIVES OF AUDIT

2.1. The examination was undertaken to evaluate the adequacy of systems for rent setting, collection and accounting for rents due and control of arrears.

2.2 The assignment was scoped to review and test controls in place for:

- maintenance of property and tenancy records;
- determination and collection of rent;
- accounting for rent due and paid;
- management and recovery of rent arrears;
- information assurance.

2.3 The examination was based mainly on the CIPFA risk-based systems audit models and systems documentation formulated under the Joint Audit Working Protocol covering the following key areas:

- property, recording, acquisition, sales and disposal;
- rent calculation and collection;
- arrears management and recovery.

2.4 The approach to the examination was to ascertain and evaluate controls by:

- updating and verifying the system documentation provided by the Audit Commission under the Joint Working Protocol, and;
- completing the relevant CIPFA model internal control questionnaire and compliance test programme.

2.5 Given the extensive scope of the CIPFA compliance test programme, actual detailed testing beyond verification of controls by walkthrough was focused on the following areas:

- accuracy and integrity of the property asset records;
- Council employees that are also tenants;

- rent refunds;
- arrears management
- former tenant arrears and write-offs.

2.6 The implementation status of the recommendations from the previous audit report (March 2010) was ascertained.

2.7 The findings are based on examination of relevant records/documentation and discussions with staff. The principal staff contacts were:

- Jackie Oughton (Rents and Finance Manager)
- Sonia Johnson-Atkinson (Senior Income and Recovery Officer)
- Mike Tierney (Senior Finance Officer).

3 FINDINGS

3.1 Recommendations from Previous Report

3.1.1 The current position for the recommendations is detailed further below:

	Recommendation	Current Position
1	The Rents and Finance Manager should ensure that by the start of the new financial year: <ul style="list-style-type: none"> • All outstanding arrears cases have been reviewed and are up to date; • New workflow processes within the Active-H system have gone live; and • Revised procedures have been developed to support these new processes. 	It was advised at the time that the actions were already underway. It is clear from the findings that these areas have now been addressed.
2	The backlog of accounts awaiting write-offs is cleared.	This is clearly progressing subject to ceilings advised by Finance of £200,000 in each year for 2009/10 and 2010/11. A total of just over £100,000 was written off in 2009/10 and just over £231,000 so far in the current year.
3	A register of interests is compiled for staff working within the Housing section.	Declarations have been obtained from Housing and Property Services staff and are held by the Rents and Finance Manager.
4	A nominated individual should be appointed as overall system administrator for the Active-H system, with a deputy appointed in case of absence. All requests for user maintenance should be processed through this individual with supporting records retained.	The Senior Finance Officer is designated principal system administrator with a specific Finance Officer deputising. Two other administrators have been designated from the repairs and allocations/lettings functions respectively.

5	Procedures should be introduced to ensure that users are correctly removed from the Active-H system.	In common with all major business applications, this inevitably relies on line managers notifying personnel changes involving system users. It was advised that monthly reports of leavers were initially being provided by Human Resources, but this has stopped for reasons that are unknown. Taken in the context of other known controls including restrictions on client software installation and remote access, the residual risk of unauthorised access by former bona-fide users is seen to be in the low category (rather than medium as previously reported). The ActiveH application is itself scheduled for audit in 2012 as part of the IT Audit Plan and user access control will be covered in more depth then. The recommendation is therefore withdrawn pending that audit subject to annual user reviews being undertaken per Recommendation 6 below.
6	A review of all users on the Active-H system should be undertaken on an annual basis to ensure access is still required by users.	This has not yet been undertaken due to time commitments. A canvass approach by e-mail similar to that adopted for the Civica OPENRevenues application is suggested.

3.2 Key developments since previous audit

3.2.1 The Council has recently implemented Service Improvement Plan (SIP) for Housing Services which is designed to address service performance and quality issues identified from several sources both internal and external. The SIP was submitted for Executive endorsement in tandem with consideration of the report from the Audit Commission of the outcomes of their Landlord Services inspection by the Tenant Services Authority.

3.2.2 The report gave a 'poor' rating with 'uncertain prospects for improvement'. As part of the response, it was pointed out that a major improvement initiative had commenced prior to the inspection, of which the SIP is the manifest result and incorporates the issues raised in the inspection. In the context of the audit subject, the issues identified relate mainly to collection and arrears performance.

3.2.3 While the primary focus of the audit is on underlying processes, references are made to relevant provisions of the SIP where appropriate.

3.2.4 Subject to some amendments on procedural details, all the key controls as described Audit Commission system documentation were found from testing to be in place.

3.3 Summary of Systems Evaluation and Key Findings

3.3.1 The findings are summarised below in the context of the areas of review itemised under the CIPFA model sub-systems.

Sub-System	Summary of Findings
<p>Property, recording, acquisition, sales and disposal</p>	<p><u>Policies and Procedures</u> This is an area not specifically encoded in any known written policy and there is no delegated officer authority to purchase or dispose of properties (other than Right to Buy), so that any such actions require approval of the Executive. Since that last major audit (2007) there have been no non-RTB disposals and only one acquisition (this does not include properties acquired by conversion of existing stock).</p> <p>A single property asset database supports the rents, repairs and letting systems and there is a documented procedure for dealing with sale of properties. Access to amend property asset details is restricted to the Housing Finance Team consisting of four officers.</p> <p><u>Accuracy and Integrity of Property Masterfile</u> Access to amend property asset details is restricted to the Housing Finance Team consisting of four officers. Other separately maintained known records of Council housing assets are incorporated in the corporate GIS, the Finance rent modelling spreadsheet and the supporting deed packets. Annual debit reconciliations and sample checks help to ensure the tie-up between the prime database and the Finance spreadsheet, and this was further proved by a software-assisted matching test between the two data sources.</p> <p>As another test, a sample of properties was checked against evidence of deed packets (this used a spreadsheet drawn up by Legal Services during their document reconstruction exercise rather than the deeds themselves which would have made the test unduly onerous and time consuming).</p> <p>It was not expected that definitive matches would be found in all cases owing to limited descriptions of land areas in some cases. Likely matches were found for all properties in the sample.</p> <p><u>Acquisition, Sales and Disposals</u> Proof of Executive authority for the single acquisition referred to (an open market purchase of a 4-bedroom house in 2008) has been seen along with and a copy of the Land Registry certificate proving title.</p>

<p>Property, recording, acquisition, sales and disposal <i>(continued)</i></p>	<p>Applications to purchase under Right to Buy are processed by County Legal Services. When an application is received, a flag is placed against the property (to raise an alert to the Property Maintenance Officer in case of repair request) and the status is monitored by the Senior Finance Officer. Actual disposal is only registered on the property on receipt of a completion notice by Legal Services (done by e-mail).</p> <p>In the current year to date, there have been seven completed Right to Buy sales and tests confirmed that completion notices had been rendered in all cases and the correct disposal dates input.</p> <p><u>Valuation of Property Assets</u> For accounting purposes, the Valuation Agency provides annual valuations from a 'desktop' review supplemented by inspections of a representative sample every fifth year (the last review with inspection was in 2010). For insurance purposes, the valuations are based on a separate sample inspection exercise undertaken by the former Property Services Manager prior to 2006 and subsequent annual indexation adjustments for rebuilding costs after allowing for acquisitions and disposals.</p> <p>The Insurance Officer has advised that recent incidents have shown the insured rebuilding costs to fall short of actual costs but not materially so, and the valuations have been adjusted accordingly. Concern has been expressed, however, that the current valuations may not adequately cover rebuilding costs of the Council's properties that are listed buildings.</p>
<p>Rent Calculation and Collection</p>	<p><u>Policies and Procedures</u> Rent calculations are driven by central government guidelines which are factored into the rent increase setting model maintained by Finance. These guidelines look set to change under the Coalition Government's agenda. Rent increases are approved annual by full Council.</p> <p>Prevailing policy on collection of rent goes back to the Customer Access Best Value review on which the existing payment facilities available to tenants are based.</p> <p>Documented procedures exist for administering day-to-day rent charging and processing of payments, rebates, etc. Essentially the processes are automated in the ActiveH system based on unique tenancy reference numbering with check digit. Tracking and reconciliation procedures are also in place to ensure that all transactions are correctly posted and properly accounted for. Access restrictions allow only staff of the Housing Finance Team to enter any manual adjustments or transactions.</p> <p><u>Employee Interests and Separation of Duties</u> The rent setting function is performed by Finance independently of Housing and Property Services staff and Finance also perform independent reconciliations as part of main accounting processes. All income collection is external to Housing and Property Services.</p>

<p>Rent Calculation and Collection <i>(continued)</i></p>	<p>A test match by address between ActiveH and payroll data showed 26 Council employees who are also tenants of Council dwellings, 13 of whom are based in Housing and Property Services (but none have any duties concerning housing rent functions). Of the 26 employees, 16 pay their rent by salary deduction and 4 by direct debit.</p> <p>There was only one case of significant arrears among the employees identified and this related to an Assistant Scheme Manager who was not paying by any automated means and now 10 weeks in arrear and had defaulted on an arrangement to clear. This has been reported to the Rents and Finance Manager for action. Apart from this one case, the employees identified were found to be maintaining their rent payments.</p> <p>A test check on payroll deductions for January 2011 showed all amounts to be promptly and correctly posted to the rent accounts.</p> <p><u>Refunds</u></p> <p>In a change of approach since the last audit under the CIPFA model (2006), current tenants with sizeable credit balances are identified from monitoring reports and offered refunds without the tenants themselves having to request them. Typically, the balances come about as a result of backdated housing benefit awards, although the sample test has also shown cases where the tenants have continued paying the gross rent charge for a substantial period after a non-backdated benefit award. In one extreme case the balance had reached £4,357 before being picked up, although this is an isolated instance and not representative of the refunds made overall.</p> <p>From enquiry with staff, the method of payment and arrears history is taken into account in any consent to refund. Of the 25 cases in the sample, two accounts have gone into serious arrears since the refund, although in neither case did the history show any previous arrears problems</p> <p>Refunds are processed as purchase orders and invoices in the Total creditor payments system and as such subject to forced separation between initiation and authorisation. In all the cases sampled, at least three officers were party to the transaction and the authoriser was either the Rents and Finance Manager or one of the team leaders. All amounts refunded were correct according to the true balance at the time and any instructions from the tenant to leave a residual credit balance.</p>
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<p>Arrears management and collection</p>	<p><u>Policies and Procedures</u></p> <p>Performance management and improvement in respect of housing rent functions, as evidenced in the SIP and Service Area Plan, are heavily focused on arrears management. A policy and procedure manual exists covering all aspects of arrears management and recovery. Oddly, it was noted that the document quoted the version of the official Rent Arrears Policy from 2003 and not the revised version approved by Executive in 2006. This has been raised with the Rents and Finance Manager for correction. It is noted that a new procedure is to be developed under the SIP as part of a series of measures to reduce arrears with particular emphasis on partnership working with appropriate external panels and agencies.</p> <p>The Constitution (Scheme of Delegation) specifies the authorisation provisions required for writing off former tenant arrears. The Head of Housing and Property Services has authority for debts up to £750 while those above have to be authorised by the Head of Finance.</p> <p>In practice, the Rents and Finance Manager is mandated to authorise write-offs of former tenant debts up £500 and the Strategic Finance Manager to authorise on behalf of the Head of Finance.</p> <p>The workflow system for handling current tenant arrears being developed at the time of the previous audit has now been implemented supported by regular reporting on progress at individual and team levels with statistical reports to Service Area management meetings.</p> <p>Review of the processes and sample testing on arrears cases indicate that the system is working generally effectively with escalations occurring promptly in accordance with the procedures. However the testing did highlight issues with cases subject to special instalment arrangements.</p> <p><u>Agreements to clear arrears</u></p> <p>A facility within the ActiveH system is used to enter agreed instalment plans, the result of which is that automated monitoring and escalation processes on which the workflow system relies are suppressed. A common issue emerged from the testing where tenants in default of agreements are not being picked up and allowed to accumulate arrears for periods of up to several months without any evidence of remedial action. The arrears case of the Council employee referred to above is also indicative of this failing.</p> <p>The Rents and Finance Manager advised that there is a known issue with the ActiveH system functionality on agreements which is being looked in to. The cases referred from the sample have been placed back into workflow and a report of 'agreement' cases with high arrears has been generated and is being reviewed case-by-case by the Rents and Finance Manager.</p>
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<p>Arrears management and collection <i>(continued)</i></p>	<p><u>Former Tenant Arrears and Write-Offs</u> Initial actions on former tenant arrears are also automated with workflow assignments, but evidence from examination of a sample of cases suggests an issue similar that of current tenants when the recovery monitoring level is set to 'agreement' status. Efforts to improve former tenant arrears recovery include use of tracing agents from 2009.</p> <p>The previous audit report noted a substantial backlog of former tenant arrears awaiting write-off. The SIP includes a provision to assess and write off those arrears that are beyond the recovery stage. Even so, analysis has shown no appreciable reduction in the level of former tenant arrears (currently totalling in excess of £600,000) since the previous audit report as new tenancy terminations with arrears appear to be keeping pace.</p> <p>Current trends, suggest that future reduction in the overall level of former tenant arrears at the rate of not more that £50,000 each year. This however does not take into account of the future impact of SIP measures to promote financial inclusion and reduce and prevent tenant arrears (current and former).</p> <p>A sample test confirmed proper authorisation of write-offs in accordance with delegated authority and presence of proper supporting documentation justifying the write-offs.</p>
<p>Arrears management and collection <i>(continued)</i></p>	<p>In the majority of cases where the debts are over £2500, the write-offs followed failed tracing attempts by the appointed agents.</p> <p>It was noted that two cases in the sample related to the same tenant (but for different tenancies) but had been written off in separate batches rather than being 'grossed up'. As both balances were above the £750 threshold, the authorisation level would not have been affected.</p> <p>Subsequent examination of current former tenant arrears showed the incidence of the same tenants having arrears on two or more separate former accounts to be relatively rare and those cases that did appear would have remained in the same authorisation bands had they been 'grossed up'.</p>

4 ISSUES ARISING

4.1 Control of System Users

4.1.1 The previous report raised concern over the absence of procedures to ensure that users are promptly removed from the ActiveH system when they leave or transfer to other duties not requiring access. This was not based on actual evidence that any such persons were still active users.

4.1.2 On reconsideration, based on potential risk and other system access controls known to be in place, the level of vulnerability to successful unauthorised access attempts by former bona-fide users is not seen as significant without such procedures, provided that a review of users is undertaken by the system administrator at appropriate intervals (at least annually as also recommended in the previous report).

4.1.3 This area will be subject to audit examination in 2012 as part of the approved IT audit programme. In the meantime, a canvass of users should be undertaken as soon as possible and repeated at least at yearly intervals. The

approach adopted by the administrator of the Civic revenues and benefits system is worth considering as a model.

Risk

Unauthorised access may be gained to the ActiveH system.

Recommendation:

A canvass of all users of the ActiveH system should be undertaken as soon as possible and repeated at yearly intervals.

4.2 Revaluation of Property Assets

4.2.1 It is observed that the last revaluation of the property assets for buildings insurance purposes was undertaken six or more years ago and some concern has been expressed that rebuilding costs might be under-represented for listed buildings among the Council's property asset portfolio.

4.2.2 Management is asked to consider the need and suitable method for re-evaluating the rebuilding costs of the Council's property assets.

Risk

Property assets may be under-insured in respect of rebuilding costs.

Recommendation:

A re-evaluation of rebuilding costs of the Council's property assets should be considered to ensure adequacy of insurance cover.

4.3 Management of Agreements to Clear Arrears

4.3.1 This emerged from audit testing as a weak area in an otherwise effective suite of processes for handling rent arrears. The root cause is attributed to limitations in the functionality of the ActiveH which are being investigated.

4.3.2 The cases arising from the tests have been now been actioned and a special review of 'agreement' cases with large arrears levels is underway. Given that the issue is being addressed, it is not considered necessary to incorporate an audit recommendation.

Assurance Opinion: Moderate.

Town Hall Lettings – 28 March 2011

1. INTRODUCTION

- 1.1. In accordance with the Audit Plan for 2010/11, an examination of the above subject area has been completed recently and this report is intended to present the findings and conclusions for information and action where appropriate.
- 1.2. Wherever possible, results obtained have been discussed with the staff involved in the various procedures examined and their views are incorporated, where appropriate, in any recommendations made. My thanks are extended to all concerned for the help and co-operation received during the audit.

2. SCOPE AND OBJECTIVES OF AUDIT

- 2.1. The audit examination was undertaken as a follow-up to a previous review reported on in 2009 with the aim of ascertaining the current status in respect of the recommendations of that report.
- 2.2. The examination comprised discussions with key staff and examination of relevant documentation. This included visits to the Town Hall on 23rd and 25th March 2011.

3. FINDINGS

- 3.1. The review was deemed necessary due to significant weaknesses in control and procedural shortcomings found in the audit examinations of 2008 and 2009, together with a relatively high number of recommendations. The findings in respect of implementation of those recommendations have to take account of significant developments that have occurred in the meantime. These include:
 - change of Entertainments Manager postholder;
 - ongoing business development for the Royal Spa Centre and the Town Hall which is expected, among other outcomes, to harmonise the approach to the hiring of facilities for both venues.
- 3.2. The current position ascertained in respect of each of the recommendations from 2009 is as follows:

Recommendation 1

All Town Hall lettings that result in an invoice being raised or an internal transfer being made should be supported by an application form, signed whenever possible, and a costing sheet.

In initial discussions, the Town Hall Superintendent gave assurance that

application forms are being obtained for all such bookings. Tests against the file of completed forms covering the month of January 2011 showed forms completed for all external bookings, but not internal ones.

It was also noticed that only forms up to the end of January 2011 were present at the time of the visit. As bookings up to the end of February had been invoiced, it is concluded that the documentation for that month is held somewhere pending filing suggesting a degree of disorganisation on local records management.

In the original management response, the Town Hall Superintendent alluded to the possible introduction of electronic forms for internal bookings and investigation into a dedicated software solution. In the event, the electronic form was tried but had to be abandoned due to technical problems and the software being considered was regarded as too costly. It has been advised that, as part of the business development referred to above, a combined software solution for both the Royal Spa Centre and Town Hall is being investigated.

Recommendation 2

When an invoice has been raised or a receipt is issued for a booking the number should be entered against the corresponding entry in the bookings diary.

The management response stated that this was already implemented and a test review of the bookings diary has confirmed that it still being carried out.

Recommendation 3

A report should be presented to a future meeting of the Finance and Audit Committee explaining why an audit recommendation was accepted and then not implemented.

The recommendation had been addressed to the former Entertainments Manager who left the Council shortly after the report was issued and the recommendation was allowed to lapse. It would be inappropriate to call the current postholder to account in this, particularly in the light of the business development programme now being pursued.

Recommendation 4

For all future bookings of rooms at the Town Hall where a reduced rate is considered appropriate, approval should be given by the Head of Cultural Services.

This had effectively been overtaken by events as the fixed hire rates are to be removed from the Council' schedule of fees and charges and the Entertainments Manager taking delegated authority to agree negotiated fees for both the Town Hall and the Royal Spa Centre from April 2011.

Recommendation 5

Invoices for Town Hall lettings should, whenever possible, be raised at the beginning of every month.

The management response stated that this was already implemented. An examination of sundry debtor accounts raised in the current financial year showed a backlog building up to three month's hirings in the early part of the year, but these had been cleared by February. The records show a pattern of accounts being raised at fortnightly intervals.

Recommendation 6

A standard issue manual receipt book should be obtained and used for any payments made directly at the Town Hall.

A standard issue duplicate receipt book has been found to be in use. The Town Hall Superintendent advised that cash was no longer being accepted in site, but occasional cheque payments were being taken. Examination of the receipt book and PARIS receipting records showed four payments taken on-site in the current financial year, all of them cheques.

Recommendation 7

The amount of the deposit requested for any hirings that will result in a significant charge being made should be reviewed to minimise the risk of future losses.

A harmonised policy on payment requirements for hirings is envisaged as part of the business development programme to be applied to both the Town Hall and the Royal Spa Centre.

4. **CONCLUSIONS**

4.1 The review has shown that issues raised in the audit report of 2009 have been essentially addressed, whether by direct implementation of the recommendations or through the business development programme currently in progress for the Royal Spa Centre and Town Hall combined. A noticeable exception applies to the absence of booking forms for internal hirings which represent a significant departure from Recommendation 1 above.

4.2 From the overall assessment and given the transitional status of development for the booking system, MODERATE assurance can be derived as to the capability of the systems in place to ensure that all hire income due is received and properly accounted for. Given the anticipated transformation of the system in tandem with that of the Royal Spa Centre under the business development programme, it would not be appropriate at this juncture to make any specific recommendations.

Assurance Opinion: Moderate.

Gypsy/Traveller Sites – 29 March 2011

1. INTRODUCTION

1.1. In accordance with the Audit Plan for 2010/11, an examination of the above subject area has been completed recently and this report is intended to present the findings and conclusions for information and action where appropriate.

1.2. Wherever possible, results obtained have been discussed with the staff involved in the various procedures examined and their views are incorporated, where appropriate, in any recommendations made. My thanks are extended to all concerned for the help and co-operation received during the audit.

2. SCOPE AND OBJECTIVES OF AUDIT

2.1. The audit examination was undertaken for the purpose of assessing the adequacy of controls in place to meet the Council's statutory obligations in respect of gypsy/traveller communities and to effectively manage unauthorised encampments within the District.

2.2 The examination comprised an evidential overview of strategies, policies, procedures and risk mitigation controls in place in respect of the Council's dealings with gypsy/traveller communities and related responsibilities.

2.3 The findings are drawn from discussions with staff and examination of relevant documents and records. The principal contacts were:

§ Paul Hughes, Divisional Environmental Health Officer (Private Sector Housing);

§ Ian Jackson, Technical Officer (Private Sector Housing).

3. FINDINGS

3.1 Background

3.1.1 The obligations of local housing authorities towards gypsy and traveller communities are rooted in the Housing Act 2004 which required an assessment of their accommodation needs, the findings of which would inform regional and local planning policy. A policy framework was put in place nationally by the Department for Communities and Local Government (DCLG).

3.1.2 Accordingly, an assessment was undertaken in 2007 organised by the South Housing Management Area Partnership and ongoing efforts are being made to identify a suitable site that meets the assessed needs. It has been advised at the time of the audit that arrangements are being made to commission new assessment for the District and changes announced by the Coalition Government, including the abolition of Regional Spatial

Strategies, are also expected to have some impact on the underlying policy framework.

3.1.3 There is a requirement under the DCLG framework for authorities to participate in a bi-annual count of gypsy/traveller caravans. In addition, DCLG has produced guidance on local authority use of enforcement powers in the event of unauthorised encampments.

3.1.4 With no suitable sites as yet identified within the District, all encampments are treated as unauthorised. In the past, the Council has had to deal almost solely with temporary encampments of short duration with only a small number of cases where the Council has resorted to court action. A high profile exception is the encampment off Kites Nest Lane, Beausale, where the Council's enforcement powers are effectively weakened by land ownership and planning system factors.

3.2 Risk Management

3.2.1 It was noted that no risk entries exist in the Operation Risk Register or Corporate and Strategic Risk Register specifically relating to gypsies and travellers, therefore no risk mitigation measures against which control evaluation could be based for assurance purposes are specified.

3.2.2 That is not to say that adequate controls are not in place, merely that the basis for providing independent assurance on their adequacy is limited without an appreciation of the relevant risks and controls from the management perspective.

Risk

Assurance that the Council is not unduly exposed to risks in respect of its obligations towards gypsies and travellers and the consequences of unauthorised encampment is impaired.

Recommendation

Risks in respect of gypsy/traveller sites should be identified and assessed under the corporate risk management framework.

3.3 Strategies and Policies

3.3.1 It is noted that the Housing Service Improvement Plan (SIP) provides for agreeing "a strategy to meet the housing needs of gypsies and travellers, although versions differ on the target date (versions stating December 2010 and March 2011) have been seen. It has been advised such a strategy has yet been finalised and it is intended that this will be incorporated in the development of the new Housing Strategy.

3.3.2 Policy on dealing with unauthorised encampments was established in 2008 by the adoption, with Executive approval, of a countywide protocol developed by a multi-agency panel. This is published on the Council's website suitably linked by subject via a brief position and outline policy statement.

3.3.3 It is noted that the published version of the protocol has no contact details for Warwick District Council – the lead officer details in the version approved by the Executive have been removed following departure of the post holder but no entry incorporated to replace it. The named lead officer had been the Divisional Environmental Health Officer (Private Sector Housing).

3.3.4 Contact details are also missing for several other agencies. It has been advised that the lead officer role Warwick District is vested jointly in the Housing Strategy Manager and the Acting Divisional Environmental Health Officer.

Risk

§ ***The publication of documents with clearly incomplete details may be detrimental to the Council's image.***

§ ***Contact with the Council on gypsy/traveller matters may follow inappropriate routes.***

Recommendation

Lead officer contact details should be reincorporated into the published Warwickshire Protocol and enquiries made on details of the other agencies where they are omitted.

3.4 Roles, Responsibilities and Procedures

3.4.1 The process of identifying suitable sites has involved Housing Strategy jointly with Development Services (Policy, Projects and Conservation). There have been annual reports on progress to Members from 2008, the last being to the Executive in June 2010.

3.4.2 Managing unauthorised encampments is primarily the role of the Private Sector Housing Team in Housing Strategy. The Warwickshire Protocol defines the circumstances where the District Council is the lead authority, gives some direction on good practice and prescribes certain formalities.

3.4.3 Examination of records relating to three encampments occurring within the last year indicated the actions taken to be consistent with good practice elements of the Warwickshire Protocol. The records maintained are seen as adequate for the purpose given the prevailing nature of the encampments that the Council has to deal with.

3.4.4 The formalities of the Protocol, especially with regard to holding case conferences and using related document formats, are not evidently followed. It can be reasonably argued, however, that it would be disproportionate to do so given the typically short durations of the encampments that occur.

3.4.5 The Beausale encampment is not a representative example for testing against the protocol as the case has been entirely taken over by the planning process with an appeal against refusal of a planning application still being considered by public enquiry.

3.4.6 The bi-annual caravan count is undertaken on appointed dates notified by the DCLG. The Technical Officer implements the count through:

- § calls to the Police (several times on the day);
- § enquiry with the County Council;
- § visits to sites known to be used repeatedly;
- § advance circular to all Council departments.

3.4.7 The last count was performed on 27th January 2011.

Assurance Opinion: Moderate.

Policy, Projects & Conservation – 20 April 2011

1. INTRODUCTION

1.1. In accordance with the Audit Plan for 2010/11, an examination of the above subject area has been completed recently and this report is intended to present the findings and conclusions for information and action where appropriate.

1.2. Wherever possible, results obtained have been discussed with the staff involved in the various procedures examined and their views are incorporated, where appropriate, in any recommendations made. My thanks are extended to all concerned for the help and co-operation received during the audit.

2. SCOPE AND OBJECTIVES OF AUDIT

2.1. The audit examination was undertaken to assess adequacy of systems in place for ensuring that resources are deployed economically, efficiently and effectively to meet the requirements of relevant legislation, national, regional and corporate policy/strategic frameworks and approved schemes in relation to planning policy and conservation functions.

2.2. The examination comprised an evidential overview of management systems in place covering the following areas:

- risk identification and management;
- service/team strategies and planning;
- roles and responsibilities;
- procedures and training;
- monitoring and review.

2.3. In the light of the current lean systems intervention proceeding in Development Services, the areas of performance/improvement and information assurance included in the original audit brief were not reviewed.

2.4. The findings are based on examination of relevant documentation and discussion with staff of the Policy, Projects and Conservation Group (referred to hereafter as 'the Group'). The principal contacts were:

Gary Stephens, Group Leader (Policy, Projects and Conservation)
Alan Mayes, Principal Architect/Planner

3. FINDINGS

3.1 General Comments

3.1.1 The audit took place at a time when the Group was undergoing a lean systems intervention and it was advised the some experimental change

was in already place.

3.1.2 The work of the group can be described as a combination of defined proactive projects and responsive, demand-led functions. In the former category, the Group at the time of the audit was engaged in developing a new draft Local Plan, Warwick Town Centre Area Action Plan and HS2 response. In the latter category, the Group maintains an advisory and technical support role on planning policy and conservation matters, and continues to offer conservation grants allocated from an annual capital budget of £100,000.

3.1.3 Much evidence from which the management systems and controls can be evaluated is in the public domain in the form of legislation, central government resources and published Council documents related to the Local Development Scheme. To an extent, this also applies to Conservation and Design functions as manifest in Planning Committee and Conservation Area Advisory Forum papers.

3.2 Previous Recommendations

3.2.1 The sole recommendation from the previous audit (March 2008) related to minor issue on maintenance of records in respect of grant applications where testing had shown supporting documentation to be incomplete. Management responded that the filing procedures would be reviewed to address this.

3.2.2 From brief testing, the supporting records were found to be properly maintained.

3.3 The main findings from the examination are considered below under the respect themes listed in Paragraph 2.2

Theme	Findings
Risk identification and management	The examination drew first on the Operational Risk Register from which six entries were found to be relevant. Risk and control perceptions evidenced in these entries come across as soundly based. There is a noticeable emphasis on meetings and discussions as mitigating controls, both within the Group and with senior management and Members. These relate primarily to budget setting, planning, supervision and monitoring. There are also references to training.
Risk identification and management (continued)	It was on evaluation of these controls that a large part of the audit was focused. Evidence trails supporting some of the controls were found to be limited, partly due to the lean systems intervention taking place at the time of the audit. Particularly noticeable were the absence of a Team Operational Plan and suspension of service area management meetings (both standard elements of the Corporate Performance Management Framework).
Service/team strategies and planning	Planning policy development is essentially directed by the Local Development Scheme (LDS) which the Council is required to maintain under the Planning and Compulsory

		<p>Purchase Act 2004. The latest published version dates from December 2010.</p> <p>Within the LDS are basic components of a programme governance framework with a designated programme manager (Head of Development Services) and defined priority projects with their own outline governance arrangements and timescales with key milestones up to 2014. By implication, the Executive can be seen as effective programme sponsor as they will approve the key 'outputs' (i.e. new Local Plan and Warwick/Leamington Town Centre Action Plans).</p> <p>The 2010/11 Service Plan for Development Services echoes the project commitments under the LDS, tying them in with the Sustainable Communities Strategy. The resourcing of the applicable elements of the LDS and Service Plan assume continued availability of the current staff resources of the Group to be supplemented as necessary by consultants engaged under supplementary budgets. The latter are manifest in project-specific revenue costs centres in the financial management system.</p> <p>It is noted that two of the five Planner/Senior Planner posts in the Group are treated as directly funded from a proportion (approximately 30%) of the Council's allocation of Housing and Planning Delivery Grant (HPDG).</p> <p>HPDG has now been discontinued. It was advised that some reserve of unspent grant remains to cover present budget commitments and the eventual funding shortfall has been factored into the Fit for the Future Programme and ongoing lean systems intervention.</p> <p>How the Service Plan translates into resource planning with team and individual objectives and targets is less clear in the absence of a documented Team Operational Plan for the Group as a consequence of the ongoing Lean Systems Intervention. An ongoing process of team and individual work programming operates with monitoring and review through regular one-to-one discussions and team meetings held fortnightly alternating between the Policy and Conservation Teams. Although the meetings are not minuted as such, there is a form of documented trail in the guise of work programmes, event schedules, etc.</p> <p>In contrast to planning policy development, the conservation role of the Group is mentioned only fleetingly in the 2010/11 Service Plan limited to a reference to grant applications.</p>
	<p>Service/team strategies and planning (continued)</p>	<p>This reflects a more background role in delivering major strategic projects with the major proportion of the work of the Conservation and Design Team being bound up in the planning application process.</p> <p>The scheme of grants administered by this Team is approved as part of the capital programme and the allocation into the grant types formulated by a Member working party in consultation with the Principal Architect/Planner and approved annually by the Executive.</p> <p>At the time of the audit, the service is emerging from the lean systems consultation stage and it was advised that a Team Operational Plan is to be formulated in due course.</p>

<p>Roles and Responsibilities</p>	<p>The roles of the Group are extensively defined in the Council's website resources and officer powers and responsibilities gleaned from the Scheme of Delegation and job descriptions respectively.</p> <p>Combined, they present a duly coherent picture of the lines of responsibility and accountability along with managerial and professional skill requirements involved.</p> <p>The planning documents under the Local Development Framework and development and design guides relating to planning and conservation matters are effectively 'signed off' at Member level (either Executive or Planning Committee). It is unsurprising therefore there are relatively few provisions in the Scheme of Delegation that relate specifically to the functions of the Group. These deal with operation of the grant scheme and other sundry powers such as serving notices.</p> <p>There are currently ten posts in the Group (all filled) including that of the Group Leader. The structure is based on two distinct teams of which Policy and Projects is directly responsible for supporting delivery of the LDS. The other team, Conservation and Design, has a specialised role in conservation work including operating the grants scheme.</p> <p>One post within the Group not strictly attached to either team fulfils a technical support role, nominally to the Group but serving Development Services as a whole and other service areas.</p>
<p>Procedures and Training</p>	<p>The need for formally documented procedures governing the Group roles should be considered in the context of two key factors:</p> <ul style="list-style-type: none"> • central government information resource (specifically PPS12 and the Plan Making Manual produced by the Department for Communities and Local Government; • extensive in-post experience of a core of officers in the Group. <p>These factors lessen the current importance of having documented procedures of the kind that would be expected in a quality management system to ISO 9001 standard. However, it may become more important in future as the service faces succession management and knowledge transfer issues with long standing post holders having to be replaced. This has been recognised as a risk area in the Service Plan.</p>

<p>Procedures and Training (continued)</p>	<p>The grant scheme stands out as the area subject to standard processes not covered under national guidance or procedural frameworks. This is subject to standard application forms and document templates that help to ensure that all essential conditions are fulfilled, proper records kept and other interested parties notified.</p> <p>The Operational Risk Register cites 'adequate training' as controls against two of the relevant risk entries.</p> <p>However, the way that the references to training are defined makes them control <u>objectives</u> rather than controls as they do not represent a specific action or process.</p> <p>In the absence of any evidence of a managed approach to staff training (i.e. based on a training plan supported by a documented training needs assessment), the control is effectively the training activity itself.</p> <p>Brief details of training undertaken were obtained from all officers in the Group. These show a reasonable level of training activity with appropriate mix of professional development, corporate employee development and technical update. Subscriptions are maintained to the Town and Country Planning Journal and to planning law and practice information resources.</p>
<p>Monitoring and Review</p>	<p>Looking at monitoring and review processes, there is a noticeable contrast in transparency between the high level monitoring activity, manifest in the Annual Monitoring Reports to the Executive, and the monitoring and review processes for senior management and for the Group itself.</p> <p>In the latter category, the evidence trail runs cold with service area management team meetings suspended while the LST intervention is proceeding and only limited records of team meetings kept, compounded by the absence of a Team Operational Plan. This makes the performance monitoring process for the Group come across as insular at variance with the corporate Performance Management Framework which advocates a coherent trail of monitoring and review through the hierarchical structures based on progress against service and team plans.</p> <p>Reintroduction of monthly service area management team meetings and formulation of a Team Operational Plan will help to restore this trail. For the trail to be complete, however, there should also be documented updates on progress against the Team Operational Plan (produced at least monthly) feeding into the service area management meetings. These can be in the form of monthly reports or minutes of team meeting meetings within the Group.</p>

4. CONCLUSIONS

4.1 In examining the underlying processes based on what are seen as the fundamental components of an effective management system, the findings have shown that the key elements of an effective system are in place.

4.2 Some minor reservations arise from the absence of a Team Operational

Plan and suspension of service area management meetings which are seen as isolating the performance management process for the Group from the Council's Performance Management Framework overall. It is recognised that this only a temporary situation due to the lean systems intervention taking priority. Ideally, once a Team Operational Plan has been implemented, some form of reporting on progress against the Plan should be instituted to feed into monitoring and review at service area level.

4.3 On a more important note, the abolition of Housing and Planning Delivery Grant creates a funding gap that will impact directly on the Group in addition to wider budget pressures facing the Council. In the light of this, and the transitional state of the service as the lean systems intervention continues, the level of assurance on the effectiveness of controls to deliver their objectives and mitigate the key risks is given as MODERATE.

5. RECOMMENDATIONS

5.1 A Team Operational Plan should be formulated for the Policy, Projects and Conservation Group (or each team in the Group) on an annual basis aligned with the Service Plan for Development Services.

5.2 Documented updates on progress against the Team Operational Plan(s) should be produced at least monthly and reported to Development Services management meetings once they are resumed.

Assurance Opinion: Moderate.