

Finance and Audit Scrutiny Committee

Tuesday 8 March 2016

A meeting of the above Committee will be held at the Town Hall, Royal Leamington Spa on Tuesday 8 March 2016 at **6.00pm**.

Membership:

Councillor Barrott (Chair)	
Councillor Butler	Councillor Illingworth
Councillor Day	Councillor Mann
Councillor Gifford	Councillor Quinney
Councillor Harrington	Councillor Rhead
Councillor Heath	Councillor Thompson

Emergency Procedure

At the commencement of the meeting, the Chairman will announce the emergency procedure for the Town Hall.

Agenda

Part A – General Items

1. Apologies and Substitutes

- (a) to receive apologies for absence from any Councillor who is unable to attend; and
- (b) to receive the name of any Councillor who is to act as a substitute, notice of which has been given to the Chief Executive, together with the name of the Councillor for whom they are acting.

2. Declarations of Interest

Members to declare the existence and nature of interests in items on the agenda in accordance with the adopted Code of Conduct.

Declarations should be entered on the form to be circulated with the attendance sheet and declared during this item. However, the existence and nature of any interest that subsequently becomes apparent during the course of the meeting must be disclosed immediately. If the interest is not registered, Members must notify the Monitoring Officer of the interest within 28 days.

Members are also reminded of the need to declare predetermination on any matter.

3. **Minutes**

To confirm the minutes of the Finance & Audit Scrutiny Committee meeting held on 9 February 2016. **(Item 3/Page 1)**

Part B – Audit Items

4. **Internal Audit Quarter 3 2015/16 Progress Report**

To consider a report from Finance **(Item 4/Page 1)**

5. **Annual Governance Statement Action Plan 2015/16: Review of Progress**

To receive a report from Finance **(Item 5/Page 1)**

Part C – Scrutiny Items

6. **Procurement Progress Update**

To consider a report from Finance **(Item 6/Page 1)**

7. **Business Plan Performance Management Report**

To consider a report from Housing & Property Services **(Item 7/Page 1)**

8. **The Monitoring of Section 106 Contributions**

To consider a report from Development Services **(Item 8/Page 1)**

9. **Comments from the Executive**

To receive a report from Civic & Committee Services **(Item 9/Page 1)**

10. **Review of the Work Programme & Forward Plan**

To consider a report from Civic & Committee Services **(Item 10/Page 1)**

11. **Executive Agenda (Non Confidential Items and Reports) – Wednesday 9 March 2016**

To consider non-confidential items on the Executive agenda, which fall within the remit of this Committee. The only items to be considered are those which Committee Services have received notice of by 9.00am on the day of the meeting. You are requested to bring your copy of that agenda to this meeting. **(Agenda circulated separately)**

12. **Public and Press**

To consider resolving that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within paragraphs 1 and 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

13. **Executive Agenda (Confidential Items and Reports) – Wednesday 9 March 2016**

To consider the confidential items on the Executive agenda which fall within the remit of this Committee. The only items to be considered are those which Committee Services have received notice of by 9.00am on the day of the meeting. You are requested to bring your copy of that agenda to this meeting.

(Agenda circulated separately)

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Enquiries about specific reports: Please contact the officers named in the reports.

You can e-mail the members of the this Committee at

F&Ascrutinycommittee@warwickdc.gov.uk

Details of all the Council's committees, councillors and agenda papers are available via our website www.warwickdc.gov.uk/committees

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The agenda is also available in large print, on request, prior to the meeting by calling 01926 456114.

Finance and Audit Scrutiny Committee

Minutes of the meeting held on Tuesday 9 February 2016 at the Town Hall, Royal Leamington Spa at 6.00pm.

Present: Councillors Barrott (Chair), Day, Gifford, Harrington, Illingworth, Mann, Quinney, Rhead and Thompson.

Also present: Councillors Mobbs, Phillips and Whiting.

108. Apologies and Substitutes

- (a) apologies for absence were received from Councillors Butler and Heath; and
- (b) there were no substitutes.

109. Declarations of Interest

Minute Number 111 – Chief Executive’s Contract Register

Councillor Gifford declared an interest because he was a Warwickshire County Councillor and the report contained details about Legal Services.

Minute Number 112 – Executive Agenda – Item 7 Treasury Management Strategy Plan for 2016/17

Councillor Gifford declared an interest because his brother was Chairman of one of the companies mentioned in the report.

Minute Number 112 – Executive Agenda – Item 4 – Budget 2016/17 and Council Tax – General Fund Revenue and Capital

Councillor Rhead declared an interest because the Barford Playing Fields were mentioned in the report and he was the Ward Councillor for Barford.

Minute Number 112 – Executive Agenda - Housing Revenue Account (HRA) Budget 2016/17 and Housing Rents

Councillor Barrott declared an interest because he rented a garage from the District Council.

110. Minutes

The minutes of the Finance & Audit Scrutiny Committee of 12 January 2016 were taken as read and signed by the Chairman as a correct record.

111. Chief Executive's Contract Register

The Committee received a report from the Chief Executive's department which provided information on all of the contracts held by that department.

In March 2014, the Finance and Audit Scrutiny Committee requested that it review each Service Area's Contracts Register in turn. This process enabled Members to consider its robustness, make appropriate suggestions on how it could be improved and consider the documents within the context of promoting sound procurement practice across the Council.

The Deputy Chief Executive and Monitoring Officer introduced the report and explained the different service areas that made up the Chief Executive's department.

He advised that there were no signed documents for some of the contracts owned by the ICT department because these were licence agreements and covered software installation.

In addition, he explained that some of the entries were legacy contracts, signed in 2010 and were still housed in the relevant service area but he agreed that these could be moved to a central location if Members felt it was necessary.

Members queried the software agreement relating to Northgate where the expiry date had passed. The Deputy Chief Executive and Monitoring Officer explained that this software was no longer in operation and the contract did not exist.

In relation to the office supplies contract, Members again queried the end date which had expired at the end of August 2014. The entry in the register advised that the contract was being reviewed by Procurement. Members were concerned that this meant there was no central office supplies contract and had not been since 2014. The Deputy Chief Executive and Monitoring Officer agreed to speak to the contact officer and email an update the next day.

With regard to the column requesting that a 'Signed Contract Agreement is with DMC (Deed Store)', Members felt that the heading could be amended to remove the reference to the DMC because the aim was to ensure that officers were in possession of signed copies.

However, it was felt that the original requirement of all contracts being held in a central location should remain and the Chairman requested that The Deputy Chief Executive and Monitoring Officer looked at migrating any legacy contracts into the central store.

Resolved that the contract register be noted.

112. Executive Agenda (Non Confidential Items & Reports – Wednesday 10 February 2016)

Agenda Item 9 – Multi-Storey Car Parks Condition Survey

The Committee supported the report.

Agenda Item 7 – Treasury Management Strategy Plan for 2016/17

The Finance & Audit Scrutiny Committee supported the recommendations in the report although Members were concerned that in order to increase return, the level of risk also had to increase.

Agenda Item 5 – Housing Revenue Account (HRA) Budget 2016/17 and Housing Rents

The Finance & Audit Scrutiny Committee supported the recommendations although concerns were raised about the maintenance of safety measures being delayed by the Repairs Service. Whilst Members noted that this work was being brought up to date as quickly as possible, it was felt that the Executive should be aware of the high level of risk this posed to the Council.

Agenda Item 6 – Heating, Lighting and Water Charges 2016/17 – Council Tenants

The Finance & Audit Scrutiny Committee supported the recommendations in the report.

Agenda Item 3 – Waste Container Charging

The Finance and Audit Scrutiny Committee supported the recommendations in the report although there were concerns that the introduction of charging might only recover 50% of the costs incurred by the Council. In addition, it was felt that further work was needed to educate the operatives on acceptable service delivery but it was noted that the contractor could also be charged for any damage to the containers.

Agenda Item 4 – Budget 2016/17 and Council Tax – General Fund Revenue and Capital

The Finance & Audit Scrutiny Committee supported the recommendations in the report. In addition, having received the late information contained in the addendum, Members agreed that the following recommendation be made:

The Finance and Audit Scrutiny Committee recommended that Warwick District Council should take advantage of the increased ability to raise Council Tax for 2016/17 by £5, to place the Council's finances in a stronger position.

113. Review of the Work Programme & Forward Plan

Agenda Item 3

The Committee considered its work programme for 2015/16 and the latest published version of the Forward Plan.

The Committee Services Officer circulated a rota of the Risk Registers and Contract Registers for the forthcoming year which had been compiled in conjunction with officers from Finance and Audit.

Members noted that the update on the Section 106 Agreements had not been available for the February meeting and noted the reasons for the omission from the Committee Services Officer. However, Members agreed that an update should be given at the March 2016 meeting.

The Committee Services Officer reminded Members that the work programme only covered March and April 2016 and suggested that they may wish to contact her if there were any other items they wanted to add.

An updated version of the Forward Plan was also circulated because the document supplied with the meeting papers had since been amended.


Resolved that the work programme be updated accordingly.

114. Comments from the Executive

A report from Democratic Services summarised the Executive's responses to comments which the Finance & Audit Scrutiny Committee gave on reports submitted to the Executive on 12 January 2016.

Resolved that the contents of the report be noted.

(The meeting ended at 8.46 pm)

 Finance and Audit Scrutiny Committee 8 March 2015		Agenda Item No. 4
Title	Internal Audit Quarter 3 2015/16 Progress Report	
For further information about this report please contact	Richard Barr Tel: (01926) 456815 E Mail: richard.barr@warwickdc.gov.uk	
Service Area	Finance	
Wards of the District directly affected	Not applicable	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number	Finance and Audit Scrutiny Committee – 1 December 2015	
Background Papers	Internal Audit Reports	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality & Sustainability Impact Assessment Undertaken	N/A: no direct service implications

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report author's relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Chief Executive	18 Feb 2015	Chris Elliott
Section 151 Officer	18 Feb 2015	Mike Snow
Monitoring Officer	18 Feb 2015	Andrew Jones
Human Resources		
Finance	18 Feb 2015	As Section 151 Officer
Portfolio Holder	18 Feb 2015	Councillor Whiting
Consultation and Community Engagement		
None other than consultation with members and officers listed above.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1 SUMMARY

- 1.1 The report details, for the relevant quarterly period, the performance of Internal Audit. It also sets out, for the Internal Audit reports that were issued in the quarter, the recommendations relating to those reports together with the management responses. For those reviews awarded less than substantial assurance the reports are presented in full. (If viewing this report online, all the Internal Audit reports issued in the quarter can be accessed by clicking on a hyper-link provided below.) Finally, this report provides an update on the state of recommendations issued in earlier quarters.

2 RECOMMENDATIONS

- 2.1 That the report be noted and its contents be accepted or, where appropriate, acted upon.

3 REASON FOR THE RECOMMENDATIONS

- 3.1 Members have responsibility for corporate governance, of which internal audit forms a key part.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

5 BUDGETARY FRAMEWORK

- 5.1 Although there are no direct budgetary implications arising from this report, Internal Audit provides a view on all aspects of governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.

6 POLICY FRAMEWORK

- 6.1 Although there are no direct policy implications, Internal Audit provides a view on all aspects of governance and will take into account the Council's policies.

7 RISKS

- 7.1 Internal Audit provides a view on all aspects of governance, including corporate and service arrangements for managing risks.
- 7.2 It is difficult to provide a commentary on risks as the report is concerned with the outcome of reviews by Internal Audit on other services. Having said that, there are clear risks to the Council in not dealing with the issues raised within the Internal Audit reports (these risks were highlighted within the reports). There is also an overarching risk associated with the Finance & Audit Scrutiny Committee not fulfilling its role properly e.g. not scrutinising this report robustly.

8 ROLE AND RESPONSIBILITIES OF AUDIT COMMITTEES

- 8.1 Finance and Audit Scrutiny Committee is operating, in effect, as an audit committee in the context of receiving and acting upon this report. Guidance on

the role and responsibilities of audit committees is available from a number of sources. That which relates to audit committees' relationship with internal audit and in particular the type and content of reports they should receive from internal audit is summarised in Appendix 1.

8.2 Essentially, the purpose of an audit committee is:

- To provide independent assurance of the associated control environment.
- To provide independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment.

8.3 To help fulfil these responsibilities audit committees should review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.

8.4 The following sections provide information to satisfy these requirements.

9 **PROGRESS AGAINST PLAN**

9.1 At the start of each year Members approve the Audit Plan setting out the audit assignments to be undertaken. An analysis of progress in completing the Audit Plan for 2015/16 is set out as Appendix 2.

9.2 As can be seen, satisfactory progress is being made in respect of completing the Plan.

10 **ASSURANCE**

10.1 Management is responsible for the system of internal control and should set in place policies and procedures to help ensure that the system is functioning correctly. On behalf of the Authority, Internal Audit review, appraise and report on the efficiency, effectiveness and economy of financial and other management controls.

10.2 Each audit report gives an overall opinion on the level of assurance provided by the controls within the area audited. The assurance bands are shown below:

Assurance Levels

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

These definitions have been developed following extensive investigation of other organisations' practices (including commercial operations).

11 **INTERNAL AUDIT ASSIGNMENTS COMPLETED DURING QUARTER**

- 11.1 Ten audits were completed in the third quarter of 2015/16. Copies of all the reports issued during the quarter are available for viewing on the following hyper-link: [Reports](#).
- 11.2 The action plans accompanying all Internal Audit reports issued in the quarter are set out as Appendix 3. These detail the recommendations arising from the audits together with the management responses, including target implementation dates.
- 11.3 As can be seen, responses have been received from managers to all recommendations contained in audit reports issued during the quarter in question.
- 11.4 Four of the audits completed during the quarter were awarded a lower than substantial assurance opinion. The audits were Data Protection, Castle Farm Recreation Centre & Abbey Fields Swimming Pools, Outdoor Recreation Facilities, and Local Land Charges. In line with protocol the reports relating to these audits are set out as Appendix 4 for specific scrutiny.

12 **IMPLEMENTATION OF RECOMMENDATIONS ISSUED PREVIOUSLY**

- 12.1 Managers are required to implement recommendations within the following timescales:
 - (a) Recommendations involving controls assessed as high risk to be implemented within three months.
 - (b) Recommendations involving controls assessed as low or medium risk to be implemented within nine months.
- 12.2 The state of implementation of **low and medium risk** recommendations made in the **fourth quarter of 2014/15** is set out as Appendix 5 to this report. (Ordinarily, the state of implementation of **high risk** recommendations issued in the **second quarter of 2015/16** would also be included in this appendix but there was none on this occasion.)
- 12.3 As can be seen, responses have been received from all managers in order to provide the state of implementation of recommendations issued in this earlier quarter.

13 **REVIEW**

- 13.1 Members are reminded that they can see any files produced by Internal Audit to help confirm the level of internal control of a service, function or activity that has been audited or to help verify the performance of Internal Audit.

INTERNAL AUDIT PROGRESS 2015/16: QUARTER 3**ANALYSIS OF PERFORMANCE****Time Spent: Audit Plan – Planned Vs Actual**

ACTIVITY	ANNUAL ALLOCATION (DAYS)	PROFILE ALLOCATION (DAYS)	ACTUAL TO DATE (DAYS)	VARIATION (DAYS)
<u>Planned Audit Work</u>	254.0	190.5	190.0	+0.5
<u>Other Time</u>				
Sundry audit advice	25.0	18.8	15.9	+2.9
Special investigations (e.g. Fraud/Irregularities)	28.0	21.0	18.2	+2.8
Corporate and departmental Initiatives	35.0	26.2	37.7	-11.5
Non-chargeable activities	112.0	84.0	89.4	-5.4
Leave and other absences	110.0	82.5	89.0	-6.5
<i>Total Other Time</i>	310.0	232.5	250.2	-17.7
<i>Total Time</i>	564.0	423.0	440.2	-17.2

Time spent: Assignments Completed – Planned Vs Actual

AUDIT ASSIGNMENT	PLAN (DAYS)	TIME TAKEN (DAYS)	UNDER (+) / OVER (-)
Administration of Housing Benefit & Council Tax Reduction	Contracted-out audit		
Data Protection	5.0	4.9	+0.1
Funding of Voluntary Organisations	10.0	10.0	-
Royal Pump Rooms (including Art Gallery)	10.0	9.0	+1.0
Outdoor Recreation Facilities	8.0	9.5	-1.5
St Nicholas Park Leisure Centre	10.0	7.8	+2.2
Castle Farm Recreation Centre & Abbey Fields Swimming Pool	12.0	12.9	-0.9
Local Elections	11.0	10.8	+0.2
Building Control	15.0	15.0	-
Local Land Charges	9.0	10.3	-1.3

Explanation of variances where greater than 2 days (unless within 20%):

- St Nicholas Park Leisure Centre: Economies of audit resource from having audited another leisure centre (Castle Farm) immediately preceding.

Completion of Audit Plan: Target Vs Actual

NO. OF AUDITS PER AUDIT PLAN	PROFILED TARGET COMPLETION		ACTUAL NO. COMPLETED TO DATE		VARIATION	
	NO.	%	NO.	%	NO.	%
35	21	60.0	22	62.9	+1	+4.8

SUMMARY OF RECOMMENDATIONS AND MANAGEMENT RESPONSES FROM INTERNAL AUDIT REPORTS
ISSUED QUARTER 3, 2015/16

Report Reference	Recommendation	Risk Rating ¹	Responsible Officer	Management Response and Target Implementation Date (TID)
Administration of Housing Benefit & Council Tax Reduction: Administration & Assessment – 21 December 2015				
4.3.2	The Risk Based Verification evidence schedule should be updated to highlight the requirement that payslips and other documentary evidence of employment should include the name of the employer.	Medium	Benefits & Fraud Manager	The schedule will be updated, although it is noted that there will be occasions when employer's details may not be shown on payslips. In the highlighted case, the pay amounts were verified to the bank statements provided. TID: End of January 2016.
4.8.3	Backdated claims should have appropriate evidence to support the decisions reached.	Low	Benefits & Fraud Manager	This already happens. In the highlighted case, there was a very short backdating period and the Benefits & Fraud Manager considered the justification provided was satisfactory. TID not applicable.

¹ Risk Ratings are defined as follows:

High: Issue of significant importance requiring urgent attention.
Medium: Issue of moderate importance requiring prompt attention.
Low: Issue of minor importance requiring attention.

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.11.2	The frequency of the review of high risk claims should be set proportionate to risk e.g. six-monthly intervals.	Medium	Benefits & Fraud Manager	Agreed. Future relevant dates are being diarised on the system so that cases can be reviewed when necessary. TID: Ongoing.
4.11.2	The RBV document should be updated to include evidence requirements for claimants in receipt of weekly war pension or war widow's pension.	Low	Benefits & Fraud Manager	Agreed. The schedule will be updated as suggested. TID: End of January 2016.
Data Protection Follow-up – 6 October 2015				
No recommendations were issued.				
Funding of Voluntary Organisations – 1 December 2015				
No recommendations were issued.				
Royal Pump Rooms (including Art Gallery) – 31 December 2015				
4.4.3	The petty cash imprest should be reduced to £50 and the balance returned to the FS Team in Finance and paid in.	Low	Heritage and Arts Manager	A member of the AG&M staff has been in touch with the FSTeam to arrange to reduce the petty cash imprest from £300 to £50. Finance will reimburse recent expenditure to restore the petty cash float to £300; £250 will then be returned to Finance to leave a petty cash imprest of £50. 29 January 2016.
4.7.5	Art Gallery staff should liaise with Finance staff to agree what information they need in order to be able to perform worthwhile monitoring of takings and bankings.	Medium	Heritage and Arts Manager	A member of staff from Finance will visit the AG&M on 26 January to discuss VAT issues and agree what additional information is required for more effective monitoring of takings and bankings. 26 January 2016

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.7.7	The Heritage and Arts Manager should ensure that staff are aware of and apply the correct room hire charge.	Low	Heritage and Arts Manager	<p>All AG&M staff have been instructed to ensure that the current rate (as of 1 January 2016) is applied for the hire of the Craft Studio / Education Room.</p> <p>To ensure that staff are aware of future changes to the hire charge it has been agreed that the Culture Business Support Team will advise AG&M staff of changes after the council's fees and charges report in the autumn.</p> <p>TID: 19 January 2016</p>
Outdoor Recreation Facilities – 4 November 2015				
4.3.2	The hours and duties of attendants should be formally agreed with the contractor and documented as such.	Medium	Green Space Development Officer	I hadn't forgotten about it, I am in the process of formalising with The Landscape Group, I aim to have this done over the next couple of weeks.
4.4.8	Consideration should be given to negotiating a concession arrangement for the operation of the tennis courts at Victoria Park.	Medium	Events Manager	<p>Initial discussions have taken place with the director of VP Tennis to revise the current Service Level Agreement. Officers are proposing to end the current arrangement of collecting cash on behalf the Council for casual public use. Rental charges would be increased to compensate for the loss of monies to the council. This action would eliminate any risk relating to a third party collecting monies on behalf of the council.</p> <p>TID: New lease date to commence on April 1st 2016.</p>

Report Reference	Recommendation	Risk Rating ¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.5.4	The application form for a track season ticket should be printed showing the correct discount for the winter season.	Low	Events Manager	Update administration documents to accurately reflect the fees and charges. TID: Completed November 2015.
4.7.6	Invoices should be raised on a regular basis throughout the year preferably monthly.	Medium	Events Manager	A standard timeframe for invoicing will be introduced and adhered to, thus ensuring billing takes place monthly where possible. TID: April 2016 onwards.
4.7.8	The Events Manager should consult the Insurance and Risk Officer concerning the insurance implications of track and football pitch hire.	Medium	Events Manager	<p>Every club that has applied to hire our pitches plays in a league which is affiliated with the Birmingham County FA. As a result every club has to be affiliated to the County FA as a condition of entry to the league. One of the mandatory terms of affiliation with the County is insurance requirement for the club</p> <p><i>"It is important to organise appropriate insurance for players in case of accident or injury. This is a mandatory condition of membership to Birmingham FA"</i></p> <p>http://www.birminghamfa.com/get-involved/club-information/newclubs#O7PKj34vFpp7rDyj.99</p> <p>Therefore the clubs have to have insurance for the fixture to be sanctioned by the league, so the need for WDC to enforce the requirement to produce evidence is not required.</p> <p>Where appropriate evidence of insurance certification will be requested from clubs prior to agreement of track hire bookings.</p> <p>TID: November 2015.</p>

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.7.15	The three license fees for fishing rights in the District should be reviewed.	Low	Estates Manager	I aim to complete this by end of Feb 2016. TID: As stated above.
4.7.15	The effect of the mistreatment of VAT for Emscote Angling Co-op should be corrected.	Low	Estates Manager	I aim to resolve this by end of Feb 2016. TID: As stated above.
4.7.16	The Events Manager should consult with the relevant accountant concerning the correct application of VAT to outdoor recreation income.	Medium	Events Manager	Investigate the reason for errors, put in required measures to ensure future compliance with VAT application. Monitor and review at regular intervals. TID: November 2015 onwards.
St Nicholas Park Leisure Centre – 16 December 2015				
4.1.2	All orders placed should be fully and accurately priced as far as possible and include carriage.	Low	Operations Manager	Operations Manager to ensure that carriage charges are included where applicable on all orders. TID: With immediate effect.
4.4.4	Amendments should be made to staff payments to correct the issues identified.	Low	Area Manager	All leisure centres are being transferred onto "self-serve" i.e. electronic timesheets. This will be in place at all sites. This would account for the apparent errors, as the Operations Manager would have entered correct details on the system, as opposed to the detail entered on the timesheets by the individuals. TID: End of January 2016.

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.5.3	Staff should be reminded of the need to ensure that shift sheets are signed-off appropriately by two members of staff.	Low	Operations Manager	Memo to staff reminding them of the financial procedures for the site. Training session for all reception and supervisory staff to ensure accuracy. TID: 31/12/15.
4.5.4	Staff should be reminded of the need to ensure that refunds and voids are processed by supervisors, independently of the staff member who had processed the original transaction, with the receipts being signed off to confirm that this has been performed appropriately.	Low	Operations Manager	Memo to staff reminding them of the financial procedures for the site. Further training to be given to all reception and supervisory staff to ensure accuracy. TID: 31/12/15.
4.5.11	Efforts should be made to ensure that folios include an appropriate amount of detail and that all invoices are raised at the correct rates.	Low	Operations Manager / Sports Facilities Area Manager	To ensure all staff that complete folios are suitably trained. A sample document to be introduced, outlining the required information to be produced. Operations Manager to then arrange training. TID: 31/12/15.
4.5.16	Gym membership cards should be issued in sequential order.	Low	Operations Manager	Memo to staff reminded them of the need to issue cards correctly. Introduce weekly stock check on cards, agree level to be kept in till, to ensure replacements are sequential. Business Support Manager to monitor sheets when submitted to RSH and flag up non-compliance with Sports Facilities Area Manager. TID: 31/12/15.

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.5.18	Staff should be reminded of the need to complete the membership card log sheets in a legible manner.	Low	Operations Manager	Investigate with Business Support Manager with regard to placing spreadsheet on the computer. TID: 21/12/15.
Castle Farm Recreation Centre & Abbey Fields Swimming Pool – 29 October 2015				
4.1.2	All orders should be raised in a timely manner.	Low	Operations Manager	Some of the orders that were placed after the invoice had been received relate to services that are provided by Housing and Property Services. The remaining orders relate to a supplier that the Centres have a call off contract with (SRS Leisure). Order requests are submitted by the centre and all invoices are paid for centrally by the Business Support Team. The contract has annual value of £20,000. TID not applicable.
4.1.3	All orders placed should be fully and accurately priced as far as possible and include carriage.	Low	Operations Manager	The Operations Manager is to ensure that carriage charges are included where applicable on all orders. TID: With immediate effect.
4.1.6	Procurement options should be reviewed with regards to the purchase of goods that is currently undertaken with J P Lennard Ltd, to ensure that value for money is being obtained.	Medium	Sports Facilities Area Manager	The Sports Facilities Area Manager has discussed this with the Procurement Manager in order to identify a supplier from a framework that can be used to replace JP Lennard Ltd. TID: 30 November 2015.

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.4.9	Management should consider whether the staff payments should be recoded or whether to take an overall view of staffing costs across the leisure centres until the coding issues can be properly resolved.	Medium	Sports Facilities Area Manager	<p>This has been a corporate issue managed by HR and Payroll colleagues. Recent progress has resulted in most issues being resolved.</p> <p>This issue will finally be concluded once all staff transfer to self-service. Staff will then submit their hours electronically from the site they have worked at and the manager for that site will approve all claims.</p> <p>A decision has been taken to not to spend any further time revising April – September data, with accurate information hoping to be obtained on the system from the October payroll.</p> <p>TID: 31 December 2015.</p>
4.5.4	Staff should be reminded of the need to ensure that refunds and voids are processed by supervisors, independently of the staff member who had processed the original transaction, with the receipts being signed off to confirm that this has been performed appropriately.	Low	Operations Manager	<p>A memo will be sent to staff reminding them of the financial procedures for the site.</p> <p>TID: 31 October 2015.</p>
4.5.7	A member of centre staff should be present during the emptying of the weighing machine to verify the cash counted.	Low	Sports Facilities Area Manager	<p>The weighing machine gets emptied once or twice a year and the income received is very low. Consideration is, therefore, to be given to removing them from all sites.</p> <p>TID: 30 November 2015.</p>
4.5.9	Staff should be reminded of the requirement to keep the safe locked at all times when not in use.	Medium	Operations Manager	<p>As per 4.54 above.</p> <p>TID: 31 October 2015.</p>

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.5.11	Efforts should be made to ensure that folios include an appropriate amount of detail and that all invoices are raised at the correct rates.	Low	Operations Manager	It will be ensured that all staff that complete folios are suitably trained. A sample document is to be produced as an aide memoire of how to complete folios. TID: 31 October 2015.
4.5.11	The bookings made by the Tae Kwon Do club, Baginton Swimming Club and the 30+ Swimming Club should be looked into to ascertain whether the VAT criteria are being met and VAT charged accordingly.	Medium	Operations Manager	Further to confirming the issues with the Auditor, a memo will go to all staff that complete folios regarding the correct application VAT. TID: 31 October 2015.
4.5.15	Staff should be reminded of the need to accurately complete all details on the membership card issue logs.	Low	Operations Manager	A memo will be sent to staff reminding them of the need to record all financial data correctly. Completed log sheets are returned on a monthly basis to the Business Support Manager who monitors completion. TID: 31 October 2015.
4.7.3	The income budget for the resale of stock items should be reviewed to ensure that it is in line with known income levels.	Low	Sports Facilities Area Manager	The current contract with SRS is meant to help the sites achieve their income targets. At next meeting with SRS, we will discuss how they can improve displays and product ranges. TID: 5 November 2015.
Local Elections – 18 November 2015				
No recommendations were issued.				
Building Control – 31 December 2015				

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
3.4.6(1)	References to discontinued mitigation measures in the Development Services Risk Register should be identified and removed and the applicable risks re-evaluated as appropriate.	Low	Interim Head of Consortium	Risk Register to be reviewed. TID: End of Jan 2016.
3.4.6 (2)	Future reviews of the Development Services Risk Register should ensure that risk mitigation measures specified truly represent actual procedures being followed.	Low	Interim Head of Consortium	Risk register to be reviewed. TID: Quarterly.
Local Land Charges – 16 December 2015				
4.2.4	Responses to search requests should be sent out in a timely manner.	Low	Admin Support Manager	Responsible officer to go through CON290 with Team Leader to minimise handling and timescales. TID: December 2015.
4.2.6	Staff should be reminded of the need to ensure that all relevant tabs have been signed off before issuing the search responses.	Low	Admin Support Manager	Meeting held to go through report and discuss issues such as this and the importance of completion. TID: Completed.
4.2.6	Acolaid should be reviewed to ascertain whether reports can be produced showing search requests that have not been responded to.	Medium	Admin Support Manager	Officer being trained to write reports from the system to enable us to interrogate data better. TID: September 2016.
4.3.4	Staff should be reminded of the need to accurately plot the searches on the GIS system.	Medium	Admin Support Manager	Meeting held to go through report and discussion on importance of plotting and consequences of not doing it correctly. TID: Completed.

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.4.3	Staff working on land charge searches should complete timesheets to allow for the costs of providing the service to be accurately calculated.	Medium	Head of Development Services / Admin Support Manager	Already being completed and costs are being reviewed to report to Executive. TID: January 2016.
4.4.5	The Acolaid system and the council's website should be updated to show the correct fees, with these fees being charged to the customers.	Medium	Admin Support Officer / Finance Officer	Need to ensure the website and Acolaid provide the same information. TID: January 2016.
4.6.5	A review should be undertaken of the dates used in the performance monitoring reports to ensure that management are given accurate information.	Low	Admin Support Manager	Meeting held to discuss processes and dates used in reports. TID: Completed.
4.6.7	Cumulative figures should be included in the monitoring reports, with consideration being given to including details of any 'outliers' for further investigation.	Low	Admin Support Manager	Reports to be reviewed with IT and Information & Improvement Officer. TID: March 2016.

**AUDIT REPORTS WITH MODERATE OR LOW LEVEL OF ASSURANCE
ISSUED QUARTER 3 - 2015/16**

Data Protection – 6 October 2015

1. Scope and Objectives of the Audit

- 1.1 The purpose of the assignment was to ascertain progress in implementing the aforementioned recommendations and to assist with the implementation process on a consultancy basis.
- 1.2 The assistance took the form of preparation and launch of a survey across the Council, in consultation with the Democratic Services Manager, to ascertain personal data sharing activity. The ultimate purpose of this was to support an assessment of the extent to which this activity complies with law and best practice based on the Information Commissioner's Data Sharing Guidelines.
- 1.3 The survey took the form of a questionnaire which was circulated to the Senior Officers' e-mail group (by doing so it was believed that all officers with any personal data ownership responsibilities would be 'captured'). Within the time allotted to the assignment, it was possible to tabulate and briefly examine the responses. The questionnaire and the accompanying explanatory notes are attached as Appendices 1 and 2, respectively.

2. Progress on Audit Recommendations

- 2.1 Implementation of the recommendations has not progressed significantly further since the February 2015 report. Critically, due to staff resource issues and overriding priorities, the launch of the new relevant draft policies, guidelines and standards has not yet taken place at the time of this report.

3. Data Sharing Survey

- 3.1 At the time of this report, 34 completed questionnaires had been returned of which 30 were deemed valid and have been logged. The remaining four were disregarded as they related to sharing of non-personal and/or public data or to disclosures of personal data individually. This was despite attempts in explanatory notes to explain the distinctions, but also suggests that understanding of what constitutes 'personal data' is not universal Council-wide.
- 3.2 This serves to underline further the need to strengthen awareness on data protection across the Council.

3.3	<p>A further significant concern is that the questionnaires returned to date do not represent the complete picture across the Council. Important known areas still to be covered fully are:</p> <ul style="list-style-type: none"> § Media and Communications § Housing and Property (Asset Management) § Human Resources and Payroll.
3.4	Based on the results in to date, data sharing activity generally can be demonstrated as justified on legal and/or service delivery grounds.
3.5	It has not been possible in all cases, however, to confirm the existence of an appropriate data sharing agreement and proper use of privacy notices to inform the data subjects about the sharing activity.
3.6	Data sharing agreements are now central to good practice under Information Commissioner's guidelines and can take several forms including a national data sharing protocol (usually applies to data sharing required under statute).
3.7	The exercise has also raised uncertainties as to existence and adequacy of privacy notices where they are required, underlining further the case for a review (already recommended) of this area once the new corporate policies and standards are adopted.
4.	Conclusions
4.1	With the process of improving data protection governance arrangements in line with current law and good practice effectively stalled, the emphasis of this review has been on pro-active assistance in ascertaining personal data sharing activity to support central recording and further assessment of compliance with law and good practice.
4.2	At the time of this report, the exercise is only partially complete but has already raised issues to pursue in respect of data sharing and privacy notices. The survey results and findings have been shared with the Democratic Services Manager to inform decisions on such a further review.
4.3	There has been very limited progress in implementing the recommendations from the earlier Internal Audit review. The launch of the new policies, guidelines and standards, recommended in that earlier review, together with appropriate staff training, will mitigate the types of issues highlighted in this further report.
4.4	The findings are considered to give MODERATE assurance that risks in respect of Data Protection compliance are managed effectively.
5.	Management Action
5.1	Recommendations to address the issues raised are contained in the earlier Internal Audit reports on this subject area.

Castle Farm Recreation Centre & Abbey Fields Swimming Pools – 14 January 2015

1. Background

- 1.1 The sports facilities in Kenilworth are split between two sites: Castle Farm Recreation Centre (CFRC); and Abbey Fields Swimming Pools (AFSP). The two sites are managed by one Operations Manager (OM).
- 1.2 CFRC has a main sports hall and the Pyramids gym whilst AFSP has two pools, one inside and one outside which is open in the spring and summer.

2. Scope and Objectives of the Audit

- 2.1 The audit was undertaken to review the operational, financial and management controls in place at the Centres.
- 2.2 The review was undertaken in accordance with the standard audit programme for outlying establishments, covering the following areas:
- Ordering & payments
 - Petty cash & procurement cards
 - Stocks & stores
 - Salaries & wages
 - Income & cash security
 - Facilities & risk management
 - Budget planning & management
 - GP referral scheme.
- 2.3 The audit programme identifies the expected controls. The control objectives examined were:
- All purchases are valid, bona fide and transacted only with the consent of authorised budget holders
 - Goods and services procured are competitively priced, with the procurement processes complying with relevant legislation
 - Petty cash and procurement cards are securely held
 - Disbursements from petty cash are appropriate
 - Procurement cards are being used appropriately
 - Stock held is properly recorded and can be accounted for
 - Stock wastage is minimised
 - Staff are properly appointed and only paid for time worked
 - Customers are aware of the amount they are expected to pay for using the council's services
 - All income due can be independently verified thus minimising the risk of misappropriation
 - Income received and held on site is secure, with bankings being securely undertaken

- Sundry debts are appropriately raised and received
- Monies due in respect of memberships held are appropriately received
- The site is secure and safe
- Management are aware of valuable items held on site
- Management are aware of the risks associated with the provision of services
- Budgets are effectively managed
- Vouchers are only issued to and used by people that have been appropriately referred by their GP who is a participant in the scheme.

3. Findings

3.1 Ordering & Payments

3.1.1 Although the combined expenditure budget for the centres is just over £1 million, most of this relates to employees, premises costs and capital financing charges. Most purchases undertaken by the centres are for items of a fairly minor and repetitive nature, such as cleaning equipment and items for resale. The TOTAL system is used for ordering and payments as appropriate, although due to the limited number of users of the system at the centre, the authorisation of orders is performed by an OM from one of the other facilities, the Sports Facilities Area Manager (SFAM) or a member of Cultural Services admin staff.

3.1.2 A sample of purchases was reviewed which confirmed that sound practices are generally being operated. However, of the twenty orders examined, only eight had been raised on or before the date of the invoice.

Risk

Commitments will be understated in the accounting records leading to potential budget overspends.

Recommendation

All orders should be raised in a timely manner.

3.1.3 It was also noted that, whilst the majority of invoice amounts agreed with the value of the orders raised on TOTAL, there were a number of differences. These generally relate to the omission of the carriage charges that are incurred.

Risk

Commitments will be understated in the accounting records leading to potential budget overspends.

Recommendation

All orders placed should be fully and accurately priced as far as possible and include carriage.

- 3.1.4 An extract was taken from the TOTAL system in order to analyse the orders placed against the budgets for the two centres. This extract was interrogated to identify significant expenditure with individual suppliers.
- 3.1.5 The majority of purchases are placed with suppliers that are used across all leisure centres or where central contracts are held. These suppliers were generally found on the contracts register as appropriate, although two companies were not found.
- 3.1.6 J P Lennard are used for small, ad-hoc purchases, with prices being obtained from their catalogue. However, whilst the individual purchases are small, the total spent with them across all sites since April 2014 is just over £17 thousand.

Risk

Value for money is not achieved.

Recommendation

Procurement options should be reviewed with regards to the purchase of goods that is currently undertaken with J P Lennard Ltd, to ensure that value for money is being obtained.

- 3.1.7 Mid Warwickshire Cleaning Supplies are used across a number of sites, including some housing sites and the Althorpe Enterprise Hub. The OM believed that there was a formal agreement in place with them, although this was not included on the contract register.
- 3.1.8 The Procurement Manager was not aware of the agreement and is following this up separately.
- 3.2 **Petty Cash & Procurement Cards**
 - 3.2.1 A petty cash float of £100 is held. However, the OM advised that, since the introduction of the procurement cards, this is no longer used. This was borne out upon review of the float which was found to include the full £100.
 - 3.2.2 The OM advised that when the procurement card is used the expenditure details are recorded on monthly transaction logs. These are then passed to the SFAM for review and sign off.
 - 3.2.3 Upon review of these logs, all expenditure incurred was considered by Internal Audit to be appropriate. It was noted that two of the transactions were not coded to either CFRC or AFSP. The OM advised that one of them was correct as the expenditure was on behalf of the SFAM. However, the other was confirmed by the OM to be a miscoding. Due to the amount involved, it was not considered relevant to include a recommendation in this report, but care should be taken to ensure that this is not repeated.

3.3 Stocks & Stores

- 3.3.1 A range of swimming related items such as goggles, armbands, and swim hats are held for sale in Reception at AFSP. No resale stock items are held at CFRC.
- 3.3.2 The Receptionist who deals with the stocks advised that when a delivery of stock items is received, she checks the items against the delivery notes, adds the numbers to her stock sheets and then updates the system with the new stock totals.
- 3.3.3 She advised that stock checks are undertaken every week with the physical stock being checked against the details on Flex. A spot check of stock held was performed during a visit to AFSP and these amounts were successfully reconciled to the figures on Flex.
- 3.3.4 Stock levels held were not considered to be excessive and where large numbers of certain items were held, these consisted of various different sizes.

3.4 Salaries & Wages

- 3.4.1 At the commencement of the audit, Internal Audit were advised that there had been an issue with the coding of payments to staff working at the leisure centres following the implementation of the new payroll process. As a result, large numbers of staff had been paid against the AFSP cost centre when they had not worked there.
- 3.4.2 The OM had gone through all of the payments made in April and May and had sent details of the errors through to the relevant Assistant Accountant (AA) and the HR Transactional Payroll Project Manager, although acknowledged that some errors would still have remained due to staff working at more than one site.
- 3.4.3 The AA provided copies of the corrections spreadsheets that had been produced, covering the period April – July and HR provided a copy of the Establishment List covering all of the leisure centres.
- 3.4.4 A check was undertaken to ascertain whether the corrections identified on AA's spreadsheets had been journalled to the correct codes. This was generally satisfactory, although one minor error was noted which the AA corrected at the time of the review.
- 3.4.5 The list of people paid over this period (as per an extract from TOTAL showing payments made against payroll related subjective codes for the two relevant cost centres) was then checked to the establishment and the corrections spreadsheets and a number of anomalies were identified. These were discussed with the OM.
- 3.4.6 As a result of these discussions, copies of the timesheets submitted by relevant individuals were reviewed on FORTIS. It was identified that four members of staff identified on the corrections spreadsheets were

being paid from the wrong cost centre (two had been incorrectly removed from AFSP and two should have been coded to CFRC rather than the other centres identified on the spreadsheets).

- 3.4.7 It was also noted that seven staff members had been incorrectly paid from the CFRC cost centre during June and July, and these had not been covered by the corrections performed which had concentrated on AFSP.
- 3.4.8 Two other staff members had worked at more than one site during the period covered, but their payments had all been coded to one cost centre.
- 3.4.9 Under normal circumstances, we would recommend that these errors are corrected to ensure that the ledger shows the true position. However, due to the ongoing nature of the issues, the amount of time that it is taking staff to reallocate the payments, and the fact that all payments are contained within the leisure centres, it is suggested that Cultural Service management consider whether these errors should be corrected, or whether an overall picture of the leisure centre staff costs is used for monitoring purposes until this issue is resolved.

Risk

Financial systems do not show the correct budget position, but staff time taken to correct the issue is excessive.

Recommendation

Management should consider whether the staff payments should be recoded or whether to take an overall view of staffing costs across the leisure centres until the coding issues can be properly resolved.

- 3.4.10 A number of staff were also identified that were on the establishment list for AFSP or CFRC, but were not on the payment extracts as having paid from the cost centres. Of these, there was only one permanent member of staff and he had only recently moved to the site. In the other cases, the OM was only aware that two staff had worked at the relevant sites. However, it was not thought to be a particular issue, as they were casual staff and may not, therefore, have worked any shifts.
- 3.4.11 Due to the issues identified above, the testing that is normally performed during these reviews was not undertaken. However, during the reviews of sampled timesheets, all were found to have been appropriately signed off and authorised.

3.5 Income & Cash Security

- 3.5.1 Most of the income at the Centres is collected through the Flex system using well established procedures. Sundry debtor accounts are raised for club and school bookings.
- 3.5.2 The tills are usually cashed up on a twice daily basis by the Receptionist (or till operator if different) and a Supervisor. The cash in the till is counted and the figure (less the till float) is recorded on a shift sheet.

This figure is then entered onto the Flex system which produces a reconciliation report showing how much should have been in the till. The shift sheets and the reconciliation reports should then be signed off by the Receptionist and the Supervisor. The money is then sealed in a banking bag, awaiting collection by G4S and is locked away in the safe.

3.5.3 A sample of the shift sheets was reviewed to ensure that the sheets had been signed by two individuals and that any significant discrepancies identified had been investigated. This test proved satisfactory with only one instance of non-compliance with the normal procedures being identified.

3.5.4 However, during the review, a number of voids / refunds were identified. In the instances identified at AFSP, the receipts had been appropriately signed off by the OM or a Supervisor. However, in two of the three instances from CFRC, the receipts were found to be unsigned.

Risk

Misappropriation of income via the fraudulent processing of voids / refunds.

Recommendation

Staff should be reminded of the need to ensure that refunds and voids are processed by supervisors, independently of the staff member who had processed the original transaction, with the receipts being signed off to confirm that this has been performed appropriately.

3.5.5 Cash checks were performed by Internal Audit during visits to the centres, with the amount in the till reconciling to Flex at each site and the main float being appropriately balanced.

3.5.6 Some non-receipted income is received through usage of the hairdryers and weighing machines. Coinage in the hairdryers is emptied by staff from the centres who will count the monies and enter the cash onto Flex as 'other income'.

3.5.7 The coinage in the weighing machine is counted by a representative from the company that owns them, and WDC are subsequently given a percentage of the takings. However, there is no direct verification of the cash counted from the machine by a member of centre staff, and the operative is trusted to provide the correct amount of commission. This has been raised as an issue at most centres audited.

Risk

The council does not receive all income that it is due.

Recommendation

A member of centre staff should be present during the emptying of the weighing machine to verify the cash counted.

3.5.8 Cash floats and monies awaiting banking are held (along with other items) in a safe at each site. The safes at the centres are combination

safes with the codes being known to the OM, the Receptionists and the Supervisors, with the codes also being recorded on the Managers file on the network, should an OM from another site need to access it.

- 3.5.9 During audit visits to AFSP, the safe was found to be locked appropriately. However, at one stage during a visit to CFRC, the Auditor was left in the office alone whilst the staff went to deal with something in another part of the centre and the safe was found to be open.

Risk

Theft of monies.

Recommendation

Staff should be reminded of the requirement to keep the safe locked at all times when not in use.

- 3.5.10 Debtor invoices are raised by central Cultural Services staff based at Riverside House. A member of staff from the centre will complete a (folio) invoice request form, with a description of the nature of the charge, price, coding and VAT details being recorded.

- 3.5.11 A sample of debtor invoices raised was reviewed to ensure that the invoices had been raised for the correct amounts, with VAT being charged as appropriate and the monies being coded correctly. This highlighted a number of issues with regards to the invoices:

- In a number of instances, it was not possible to ascertain whether the correct fee was being charged as the folios did not always state whether usage of the facilities was in peak / off peak periods, whether it was being used by juniors or how long it was being used for.
- The rate charged for additional teachers supplied to assist with swimming lessons is meant to be at cost, although the rates hadn't changed in line with the latest pay award. The SFAM advised that staff had now been told of the correct rate to charge and an email containing the relevant details was provided.
- One invoice was found to be out by £17.60 as the figures had not been added up correctly.
- There were a number of queries relating to the appropriate use of the VAT exemption criteria, with some groups being charged the full, VAT inclusive price, when it appeared that they met the criteria, others being charged the exclusive price when it was not clear whether they were formal clubs and others being charged the full price as appropriate, but the VAT had not been separately coded on the folios.

Risks

Fees due to the Council in respect of leisure centre bookings are not received in full.

VAT is incorrectly charged.

Recommendations

Efforts should be made to ensure that folios include an appropriate amount of detail and that all invoices are raised at the correct rates.

The bookings made by the Tae Kwon Do club, Baginton Swimming Club and the 30+ Swimming Club should be looked into to ascertain whether the VAT criteria are being met and VAT charged accordingly.

- 3.5.12 When invoices are not paid, the OM is not formally made aware. He advised that he normally only finds out that chasing letters have been sent when the customer contacts him to discuss the letter received.
- 3.5.13 A review of outstanding debtor invoices was undertaken and this showed only six invoices relating to the centres that had not been paid. None of these were very old and two were found to have been incorrectly raised, with two similarly named schools being confused when the invoices were raised by staff at Riverside House.
- 3.5.14 When new gym membership cards are issued the details, including the card number, the name of the member and the Flex receipt number relating to the payment, are recorded on a log sheet.
- 3.5.15 Upon review of the sheets, it was noted that cards were being issued in sequential order, although there was one gap on the sheets at AFSP. The Receptionist checked the system and it was confirmed that this was an error in recording the details on the sheet, as Flex included the relevant details. A lack of some relevant details was also noted against two cards issued at CFRC.

Risk

Leisure centre memberships are inappropriately issued.

Recommendation

Staff should be reminded of the need to accurately complete all details on the membership card issue logs.

- 3.5.16 Small samples were chosen from the latest log sheet at each site with the details entered onto them being checked against the Flex system. This test proved satisfactory.

3.6 Facilities & Risk Management

- 3.6.1 During visits to the sites, it was confirmed that the sites were generally secure, with office and fire doors being closed.
- 3.6.2 Inventories containing appropriate details of items of significant value were found to be in place. The document for AFSP had recently been updated and the update to the CFRC inventory was a work in progress.

- 3.6.3 A central Cultural Services risk register is maintained and has recently been presented to the Finance & Audit Scrutiny committee as part of their programme of reviews of all service risk registers. This highlights a number of risks that are generic across all of the buildings operated by Cultural Services, including the leisure centres, as well as some more specific 'sports and leisure' risks.
- 3.6.4 The OM advised that 'local' risk assessments are also performed and are recorded on Assessnet. He highlighted that these have been worked on following a review of the assessments for Newbold Comyn Leisure Centre performed alongside the Corporate Health and Safety Coordinator / Building Manager who helped to condense down the number of assessments that were being performed.
- 3.6.5 The system generates reminders when the assessments are due for review and the OM advised that these reviews have been assigned to one of the Supervisors. Sample assessments were viewed on screen during a visit to AFSP.
- 3.7 **Budget Planning & Management**
- 3.7.1 Weekly reports are produced from the Flex system, with income details being entered onto a central internal monitoring spreadsheet for management monitoring against targets set.
- 3.7.2 An extract was also taken from TOTAL of the final budget position for 2014/15 and the current budget for 2015/16 and significant variances were discussed with the OM. The OM was able to provide explanations for the variances over which he had control.
- 3.7.3 A variance was noted in both years against the income code for resale of stock items, with an underperformance being noted. The OM suggested that this income target was generally not achieved.

Risk

Budgets are incorrectly set.

Recommendation

The income budget for the resale of stock items should be reviewed to ensure that it is in line with known income levels.

3.8 **GP Referral Scheme**

- 3.8.1 The Fitness Instructor advised that the GP referral scheme is falling out of use now as, although GPs will still refer patients, they are generally joining the gym on the cheapest option instead of paying for the vouchers.
- 3.8.2 The card issue form backed this up, with only one card being issued in August and none since. As a result, further testing was not considered necessary.

4. Summary & Conclusion

4.1 Following our review, we are able to give a **MODERATE** degree of assurance that the systems and controls in place at Castle Farm Recreation Centre and Abbey Fields Swimming Pools are appropriate and are working effectively.

4.2 A number of issues were identified during the course of the audit relating to:

- The timeliness of orders raised
- Order pricing and the need for procurement options to be reviewed
- The coding of staff payments
- The safe at CFRC being left open when not in use
- The processing of voids and verification of weighing machine income
- The need for appropriate and correct details on debtor invoice folios
- The VAT status of certain bookings
- The level of details recorded relating to some gym memberships on the card issue logs
- The budget set for income relating to the sale of stock items.

5. Management Action

5.1 The recommendations arising above are reproduced in the Action Plan for management attention.

Outdoor Recreation Facilities - 04 November 2015

1. Background

- 1.1 The subject encompasses a range of activities at various sites throughout the district – bowls, football, athletics, tennis and fishing.
- 1.2 Although the overall subject of the audit falls within Cultural Services, as does all of the income, some aspects are the responsibility of other service areas, principally Neighbourhood Services for the provision of attendants and Development Services for negotiating the licence with the RLS Bowling Club and the licences for fishing rights.
- 1.3 The estimated income from all sources for 2015/16 is £50,200, broken down as follows:
- | | | |
|----------|---|---------|
| Track | - | £15,000 |
| Bowls | - | £16,200 |
| Football | - | £13,000 |
| Tennis | - | £ 4,500 |
| Fishing | - | £ 1,500 |

2. Scope and objectives of the audit

- 2.1 The audit was undertaken in order to establish and test the controls in place over the management of ORF income.
- 2.2 The audit programme identified the controls expected to be in place and then carried out testing for evidence of those controls.
- 2.3 Specifically, the control objectives examined were as follows:
- a) The contractor is aware of his responsibilities regarding the staffing of facilities and income collection, recording and banking.
 - b) Budgeted income is based on realistic assumptions.
 - c) Budgets are appropriately monitored.
 - d) Fees are regularly reviewed.
 - e) Fees are approved at the appropriate level.
 - f) Fees are advertised appropriately.
 - g) Regular income returns are received from each site where cash is taken.
 - h) Returns are reconciled to bankings.
 - i) Invoices are raised for booked sessions and other regular income.

3. Findings

3.1 In overall terms the audit drew the conclusion that the function is well managed and controlled. There are, though, a number of areas where improvements could be made to the general management of the function more so than to the control of it.

3.2 In terms of the control objectives listed at 2.3 the findings are as follows:

3.3 Contractor's responsibilities

3.3.1 In terms of the staffing of facilities and income collection etc. the only sites where casual cash income is collected by attendants are the bowling greens and Edmondscote track. At both sites the amount of cash collected and banked is relatively small. At mid-September it was £1,710 for bowls and £1,336 for the track.

3.3.2 Cash collection is only one of several reasons for having attendants in place at the bowling greens and the track. How they carry this out, together with their other duties and responsibilities, should be specified. In terms of the contract specification, the duties of the attendants and their hours are not mentioned. Enquiries confirmed that there is nothing formal in place governing attendants' hours and duties and that they are a continuation of what has been in place over the years. Payment is made to the contractor as an addition to the contract and based on time sheets submitted.

Risk

The absence of any agreed hours and duties for attendants may result in an inappropriate level of provision and level of expenditure.

The absence of any agreed duties makes it impossible to monitor if duties are being performed as required.

Recommendation

The hours and duties of attendants should be formally agreed with the contractor and documented as such.

3.4 Budget setting and monitoring

3.4.1 Estimating income for the various activities is relatively straightforward in that some aspects are virtually fixed and others are very reliable. Estimates will be based largely on historic performance and known price or rent increases. Variations between estimate and outturn tend to be fairly minor.

- 3.4.2 Budget monitoring is undertaken by a number of people on a regular basis but given the significance of each budget there is nothing formal or evidential in place.
- 3.4.3 Monitoring of the income from Victoria Park Tennis has not been a high priority and reliance has been placed on the submission of regular weekly returns from the operator who runs the business.
- 3.4.4 As part of the cash income aspect of the audit it appeared that no money had been received this year in respect of tennis. Closer examination revealed that money had been paid in but credited to the operator's Council Tax account which was showing an overpayment of £1,068. This has since been transferred to tennis income.
- 3.4.5 Further examination of the overall situation revealed something of a cumbersome and uncertain operation. The proprietor of Victoria Park Tennis pays the council a licence fee of £1,122 a year for exclusive use of five courts to run her business. At the same time she collects casual tennis court income from the public for which the Council pays her £200 a month in the summer and £100 a month in the winter together with an additional payment for Sunday collections.
- 3.4.6 She submits a weekly return of cash takings but there is no way of confirming their accuracy or reliability as there are no ticket numbers included. Under the terms of the licence the licensee is required to collect money on behalf of WDC for 64 hours a week but she has no incentive to adhere to this.
- 3.4.7 The situation would be more efficient and a better option for the council if the operation of all ten courts was in one package with an appropriate financial consideration. The council would probably want to dictate the number of courts available for public use and the fees to be charged.
- 3.4.8 As things stand the council has to undertake a fair amount of administration in order to receive very little money and has no way of being confident that all potential income is being collected.

Risk

Not all income due to the council for tennis court hire is being collected.

Recommendation

Consideration should be given to negotiating a concession arrangement for the operation of the tennis courts at Victoria Park.

3.5 Fees are regularly reviewed, approved and advertised

- 3.5.1 As part of the Budget and Council Tax Setting process all fees and charges are reviewed on an annual basis usually to take effect on 1st January. Fees can be reviewed and revised at any point during the

year if circumstances warrant.

3.5.2 The fees and charges for 2015 were approved by Executive on 1st October 2014 and came into operation on 2nd January.

3.5.3 The WDC website was examined and prices listed were found to be in accordance with those approved.

3.5.4 In the case of the application form for a track season ticket the prices quoted for a second half year ticket are simply 50% of the full year charge whereas the approved charge is a 60% reduction i.e. an adult will be charged £56.00 for a season ticket from October to March instead of £44.80. Fortunately only a very small number of season tickets are issued.

Risks

Customers may be overcharged.

There may be damage to the council's reputation.

Recommendation

The application form for a track season ticket should be printed showing the correct discount for the winter season.

3.6 Cash income, returns and reconciliations

3.6.1 Cash collection and banking for the track and the Bowling Greens is undertaken by the Landscape Group. Returns are prepared showing tickets used, cash taken and cash banked.

3.6.2 All returns for the current year were examined and there were no gaps in sequence and the correct fees were being charged. The preparation of the returns and subsequent bankings was irregular but all takings were accounted for and given the scale of the operations there are no concerns.

3.6.3 The banking details are forwarded to Finance who check that the bankings claimed have in fact been made and then perform the necessary accounting entries. All bankings were correct.

3.7 Invoices are raised for booked sessions

3.7.1 A high proportion of the income under this heading is collected by sundry debtor account. The examination of the raising of accounts over the various categories resulted in the examination of certain related issues as well e.g. conditions of hire, VAT, licence reviews and any matters arising are listed here.

Timing

- 3.7.2 Overall, it was found that the timing of the raising of invoices is fairly relaxed with no standard timeframe in place and an adherence to custom and practice. Often, invoices are raised several months after the event.
- 3.7.3 In the case of football pitch hire custom and practice dictates that the clubs are billed twice a year on the basis that they would not be able to pay either in advance or in one go. Accordingly they are billed around October/November and January/February. There are no problems caused by non-payment and any arising would be referred to the appropriate league.
- 3.7.4 Invoices for the use of the track tend to be raised at the end of the season and in some cases this can cover six months use. This may not pose a serious risk in the majority of cases as most hirers are public or quasi-public organisations. Some of the hirers, however, are from the private sector and reliability can be more of an issue.
- 3.7.5 Leamington Athletics Academy for example, who are a fairly newly established concern were recently billed for £2,450 covering the period 7th April to 30th September (approx. £400 a month). Military Fitness Limited were also recently billed for the use of St. Nicholas Park for £2,835 for the period April to September 2015.
- 3.7.6 Allowing debts to accumulate and to remain un-invoiced for a few months not only increases the risk of non-payment it also does not give the impression of a very efficient organisation.

Risks

Debts may be allowed to accumulate and may not be paid.

Invoicing five or six months after an event is harmful to the council's reputation.

Recommendation

Invoices should be raised on a regular basis throughout the year preferably monthly.

Conditions of hire

- 3.7.7 The council's standard conditions of hire for sports facilities and the conditions of hire for the track both refer to the requirement to produce evidence of public liability insurance. This requirement is not enforced.
- 3.7.8 The requirement is included in order to cover and protect clubs, participants, spectators and the public in the event of an incident resulting in a claim.

Risk

Insurance cover is not provided resulting in protracted legal dealings and attempts to claim against the council.

Recommendation

The Events Manager should consult the Insurance and Risk Officer concerning the insurance implications of track and football pitch hire.

Bowls income

- 3.7.9 Apart from casual income, the income from hiring greens for the season and some contributions from Bowls England and the EWBA the main regular income is the licence fee for hiring most of the premises and some of the greens from the RLS Bowling Club.
- 3.7.10 This is currently £7,000 a year and it has been at this level since 1st January 2006. Previous increases indicate that a review, and presumably an increase, should have taken effect from 1st January 2011. An e-mail on file refers to a review date of 1st January 2011 but there is nothing to evidence that it ever took place.
- 3.7.11 On closer examination of the correspondence on file it was evident that there had been some confusion over the years concerning the start and end dates for the lease and it is understandable how the end date for the last lease was interpreted as 31 December 2011.
- 3.7.12 Negotiations began with the Club in 2011 with a view to signing a new lease as from 1 January 2012 and they coincided with the news that Bowls England were keen to relocate to Leamington. If this were to go ahead it would have an effect on the Club's use of the facilities and therefore the conditions of their lease. Accordingly, negotiations with RLSBC were put on hold pending agreement of a lease with Bowls England.
- 3.7.13 The lease with Bowls England was finally agreed in May this year which allowed negotiations to recommence with RLSBC and agreement has recently been reached on a new lease.

Fishing rights

- 3.7.12 Included within the Open Spaces Events budget is income of around £1,500 for fishing rights. This appears to be long standing income that is invoiced automatically and requires very little input or interest from members of staff.
- 3.7.13 The income comprises three licences: One to Warwick and District Angling Society for £725, one to the Royal Leamington Spa Angling Association for £650 and one to the Emscote Angling Co-operative for £145.83.

3.7.14 An examination of the files revealed that two of the licences were due a review in June 2012 and one in March 2015. If the reviews did take place they are certainly not evidenced as such.

3.7.15 It is also apparent that when the licence for Emscote Angling Co-op was reviewed in March 2003 from £100 to £125, VAT was deducted rather than added.

Risk

The absence of reviews may result in the council losing income.

Recommendation

The three licence fees for fishing rights in the District should be reviewed.

The effect of the mistreatment of VAT for Emscote Angling Co-op should be corrected.

VAT

3.7.16 An examination of sundry debtor invoices revealed some inconsistencies in the application of VAT, e.g. some schools are charged VAT and some are not. Military Fitness was charged (and paid) VAT for the second half of 2014/15 but not the first half of 2015/16.

Risk

The council may not be applying VAT correctly and could be subject to a fine or a penalty.

Recommendation

The Events Manager should consult with the relevant accountant concerning the correct application of VAT to outdoor recreation income.

4. Conclusion

4.1 In overall terms the audit concluded that the systems and procedures in place to manage Outdoor Recreation Facilities are sound but that there are several areas where improvement can be made.

4.2 The audit can therefore give a **MODERATE** level of assurance that the systems and procedures in place are appropriate and working effectively.

5. Management Action

5.1 The recommendations arising above are reproduced in the Action Plan for management attention.

Local Land Charges - 16 December 2015

1. Background

- 1.1 A local land charge search is undertaken as part of the conveyancing process when a property or piece of land is changing hands or is being valued (e.g. for re-mortgaging). The objective of the search is to uncover any restrictions or legal obligations against the site, such as conditional planning consents, listed buildings or tree preservation orders etc.
- 1.2 The audit was undertaken during a period of change, with the Land Charges Officer having recently left the council and a personal search 'kiosk' being made available during the course of the audit enabling members of the public to undertake their own personal searches, thus freeing up the time of Development Services staff.
- 1.3 It is possible that the land charges function will be taken over by the Land Registry in the future. Consultation is due to take place in 2016, with the aim being that the single, digital service, will start from 2017. This may not, however, cover all of the different searches that are performed by local authorities.

2. Scope and Objectives of the Audit

- 2.1 The audit was undertaken to test the management and financial controls in place.
- 2.2 In terms of scope, the audit covered the following areas:
- Process and procedures
 - Timeliness of searches
 - Accuracy of searches
 - Finance
 - Risk management
 - Performance monitoring
- 2.3 The audit programme identified the expected controls. The control objectives examined were:
- Land charges functions are discharged in accordance with established systems and procedures
 - Requests for searches are dealt with in a timely manner
 - Searches are processed in a timely manner
 - Appropriate and accurate searches are performed
 - Fees are set accordingly to ensure that the costs break even over the three year rolling period
 - The council receives the appropriate amount of income for the searches performed

- Fees are accounted for correctly
- Payments are accurately made
- Management are aware of the risks associated with the provision of services
- Management and Members are aware of how the service is performing.

3. Findings

3.1 Processes & Procedures

- 3.1.1 The Conservation Admin and Research Officer (CARO), who processes the majority of the searches, provided sample copies of procedure notes and reference documents which he uses. There was no evidence of review, but the documents were found to be up-to-date.
- 3.1.2 The Administration Support Manager (ASM) advised that the council is signed up to the Local Land Charges Institute. The institute circulates information relating to changes in legislation and other relevant issues affecting land charges. The ASM provided sample evidence of the information provided by them.

3.2 Timeliness of Searches

- 3.2.1 Requests for searches can either be received through the post; via email; or through two different on-line portals (NLIS and TM Group).
- 3.2.2 A review of the generic email account and the two portals was undertaken with the CARO during the course of the audit and this proved satisfactory, with the portals only containing search requests from the day of the review and the email account only containing responses from Highways (at Warwickshire County Council) as opposed to any requests.
- 3.2.3 Internal Audit were advised that the aim of the department is to ensure that searches are processed and responded to within ten days. Testing was undertaken on a sample of 30 requests, covering all types of searches, to ascertain whether this was being adhered to.
- 3.2.4 One of the requests had been received in July 2015. However, at the time of audit testing no response had been sent out, despite the search having been completed although it would appear that the company requesting the search had not followed up on this. In nine other cases, the responses had been sent after the ten day target period.

Risk

The reputation of the council may be damaged by slow responses.

Recommendation

Responses to search requests should be sent out in a timely manner.

- 3.2.5 The Land Charges module of the Active H system separates the questions that are answered for the various searches into a number of tabs for the different areas that are responsible for answering the questions (e.g. building control, environmental health and highways). Each of these tabs contains a function that highlights any outstanding searches in that area.
- 3.2.6 However, upon review it was noted that these 'queries' were returning details of the searches where the tab had not been signed off as appropriate. This highlighted two issues. Firstly, some searches had been responded to before the tab for that area had been signed off; and secondly, none of the tables would have picked up the abovementioned search that had not been responded to, because all of the tabs had been signed off when completed.

Risks

Inaccurate responses may be sent out as searches are incomplete.

Staff may be unaware of searches that have not been responded to.

Recommendations

Staff should be reminded of the need to ensure that all relevant tabs have been signed off before issuing the search responses.

Acolaid should be reviewed to ascertain whether reports can be produced showing search requests that have not been responded to.

3.3 Accuracy of Searches

- 3.3.1 Different types of searches can be requested, with different questions being covered. The abovementioned sample of searches was reviewed to ensure that the correct questions had been answered in each case.
- 3.3.2 It was ascertained that some of the relevant questions had not been covered in two of the sampled cases. However, both cases were personal searches which are no longer being undertaken by staff.
- 3.3.3 The answers to the different questions will largely be dependent on what is included on the different layers of the GIS system. The details on GIS were not specifically covered as part of this audit and it is suggested that a separate audit of this system will be added to the audit plan.
- 3.3.4 Testing was, however, undertaken to ensure that the sample cases had been correctly plotted on GIS, thus ensuring that the correct items would be brought through. This proved satisfactory in 29 cases, but one search had been plotted against the wrong address.

Risk

Claims may be made against the council if incorrect land charge information is provided.

Recommendation

Staff should be reminded of the need to accurately plot the searches on the GIS system.

- 3.3.5 As suggested above, the information relevant to the searches is generally held electronically. However, the details used to be held on Blue Cards. Scanned copies of these were taken and they should be checked when a search requests is received for the relevant address.
- 3.3.6 In 18 of the sampled cases, copies of the blue cards were found to be held. In all cases, details on the cards had been appropriately included in the responses, with items that were not on the responses being checked to Acolaid to ensure that the plot would have picked them up were they relevant.

3.4 Finance

- 3.4.1 Regulations in relation to Land Charges fees stipulate that the fees should be set so that they breakeven over a three year rolling period against the cost of providing the service.
- 3.4.2 The fees are set on an annual basis as part of the council's general fees and charges process. The last major review of the fees was undertaken in 2013 for the 2014/15 fees, with the main fee (full search) being reduced from £145 to £95.
- 3.4.3 In spite of this, the income received is still much higher than the costs attributed to the service each year. The Head of Development Services suggested that the staff time allocated to the service (and the associated cost) is not correct at the moment and suggested that the relevant staff could complete timesheets for a period of time to identify exactly how much time they were spending on this service. This is considered to be a reasonable approach and should be adopted.

Risk

The council fails to adhere to the regulations in place.

Recommendation

Staff working on land charge searches should complete timesheets to allow for the costs of providing the service to be accurately calculated.

- 3.4.4 The Acolaid system automatically calculates the fees for each search, dependant on which questions are selected, with the fee table being within the system parameters. Sample testing showed that customers were paying the correct fee as shown on the system.
- 3.4.5 However, whilst the full search fee on Acolaid was found to accurately reflect the fee agreed by Members, the fees for other search types and certain individual questions were found to be incorrect, with these

incorrect fees also being shown on the council's website.

Risk

Incorrect fees are charged.

Recommendation

The Acolaid system and the council's website should be updated to show the correct fees, with these fees being charged to the customers.

3.4.6 Warwickshire County Council send invoices to the council on a quarterly basis in respect of their fees for undertaking highways searches. However, no payments had been made to them during the current financial year at the time of audit testing, as the county council had made an arithmetical error on the invoice.

3.4.7 The ASM advised that the number of searches would be agreed prior to any payment being made and confirmed that the Information & Improvement Officer (IIO) had checked the numbers of searches as detailed on the invoice.

3.5 Risk Management

3.5.1 The risk register for Development Services has recently been reported to the Finance & Audit Scrutiny Committee as part of their cyclical review of departmental risk registers.

3.5.2 Upon review, it was ascertained that the register contains three specific risks relating to land charges and these were considered, by Internal Audit, to be appropriate.

3.6 Performance Monitoring

3.6.1 A copy of the Service Area Plan for Development Services was provided. The 2015/16 document included a number of proposed measures, although no figures had been included to date.

3.6.2 Whilst land charges were included in the general service overview, there were no specific measures relating to land charges. Commentary on performance has, however, been included in the portfolio holder statements and regular monitoring is being undertaken (see below).

3.6.3 Performance monitoring reports are produced on a fortnightly basis and are discussed by management and sample copy reports were provided.

3.6.4 During sample testing of searches, a query had been raised as to which dates should be taken into account for performance monitoring in terms of getting responses sent out, i.e. either the time taken from the start of the search or from the validation date (i.e. when it was confirmed that the search was valid), which is either on the same date or earlier.

- 3.6.5 It was suggested that performance should be monitored against the validation date. However, upon discussion with the IIO, it would appear that the later of the two dates is being used in the performance monitoring reports.

Risk

Management may be unaware of the actual time that it is taking to process searches.

Recommendation

A review should be undertaken of the dates used in the performance monitoring reports to ensure that management are given accurate information.

- 3.6.6 The monitoring undertaken looks at the average number of days to complete the searches as well as the number of outstanding searches at the end of each week. However, it appears that these figures are only concerned with the searches received in the period, and no cumulative data is reported as shown in the following example:

The performance report for the week ending 30 October 2015 shows that fifteen LLC1 / CO / CON29 searches were outstanding. 65 further searches were received during the following week, of which 25 were dispatched. However, the figure for the outstanding searches at the end of the week shows 40 (i.e. 65 – 25) and doesn't include any carried forward figures.

- 3.6.7 As highlighted above, sample testing identified one search request that had been received in July but had not been responded to by the time of audit testing in November and it is apparent that this had not been picked up by the monitoring performed.

Risk

Management may be unaware of the actual performance of the function.

Recommendation

Cumulative figures should be included in the monitoring reports, with consideration being given to including details of any 'outliers' for further investigation.

4. Summary & Conclusion

- 4.1 Following our review, we are able to give a **MODERATE** degree of assurance that the systems and controls in place in respect of Local Land Charges are appropriate and are working effectively.
- 4.2 A number of issues were identified during the course of the audit relating to:
- Searches not being responded to within the target number of days

- A search response not being sent out and other sent before the search had been fully signed off
- A search being incorrectly plotted
- The service not complying with the need to maintain a balanced budget over a three year rolling period
- Fees not being charged in accordance with those agreed by Members
- Performance monitoring reports giving potentially incomplete and inaccurate information.

5. Management Action

5.1 The recommendations arising above are reproduced in the Action Plan for management attention.

APPENDIX 5

CURRENT IMPLEMENTATION POSITION FOR LOW AND MEDIUM RISK RECOMMENDATIONS
ISSUED IN QUARTER 4 2014/15

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Emergency Planning and Business Continuity Management – 30 March 2015		
A decision should be taken as to whether the Elected Members Major Incident Plan is formally issued.	<i>Civil Contingencies Officer:</i> Agreed. The issue will be discussed with the Portfolio Holder following the May elections. 30 June 2015.	H&CP Service Head discussed this with Portfolio Holder (Cllr Grainger) and it was agreed not to formally issue the Elected Members Major Incident Plan. The content contained has since been disseminated via group training, email distribution of content covered and a credit card sized aid memoir which was mailed out to all Councillors.
Consideration should be given to undertaking some general awareness training for staff that are not included in the Gold and Silver groups.	<i>Civil Contingencies Officer:</i> Agreed. Appropriate training will be provided. 31 March 2016.	This training will be provided via the Warwickshire Local Resilience Forum as part of a wider multi-agency programme for Warwickshire Local Authority Bronze Responders. The date is yet to be confirmed by the LRF and may therefore fall into the first half of the new financial year.
Partnership Working – 31 March 2015		
The council's partnership policy should be reviewed and reported to executive for approval.	<i>Deputy Chief Executive:</i> Policy will be reviewed by end of calendar year. 31 December 2015.	Policy was reviewed and has subsequently been agreed by January Council.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE	CURRENT STATE OF IMPLEMENTATION PER MANAGER
How scrutiny of the council's partnerships should be undertaken should be included in the next review of the partnership policy.	<i>Deputy Chief Executive:</i> Agreed. See above. 31 December 2015.	Scrutiny arrangements to remain as now but much more light-touch.
A report should be presented to Executive seeking an exception to the council's Code of Procurement Practice for the work in managing local nature reserves.	<i>Head of Neighbourhood Services:</i> Procurement Manager has advised that WWT is a sole provider and that there is therefore no need to go out to tender or to get an exemption from Executive. Instead, the Procurement Manager is satisfied that the arrangements be added to the Contract Register in order to note future requirements and the expenditure.	This will be added to the Contract Register ready for the quarterly refresh.
The removal of partnership working should be recorded and managed in service area risk registers where appropriate.	<i>Deputy Chief Executive:</i> Agreed. To be actioned as part of the Policy review. 31 December 2015.	This will be done as part of ongoing partnership management.
Collection of Council Tax – 27 January 2015		
Documentation should be produced and retained to support all debts written off.	<i>Exchequer Manager:</i> Staff will be reminded that appropriate documentation is to be processed for all accounts to support write-off. Immediate.	Instruction given February 2015 – recommendation implemented'

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE	CURRENT STATE OF IMPLEMENTATION PER MANAGER
The delegation of authorisation for writing off council tax debts over £1,000 to the Exchequer Manager should be formally documented.	<i>Head of Finance:</i> Head of Finance to formally document the required delegated authorisation. 31 March 2015.	Actioned February 2015.
Collection of National Non-Domestic Rates – 27 January 2015		
To strengthen control the annual NNDR Civica billing audit evidence file should document clearly those items set out in paragraph 4.1.2 of the Internal Audit report.	<i>Exchequer Manager:</i> Agreed. Year-end Feb 15.	To be implemented this Year End Feb 2016.
Infrastructure Security and Resilience – 5 March 2015		
The infrastructure team should review options around enabling firewall logging on the external firewalls.	<i>Head of ICT:</i> The logging on the external firewall has been amended to match that of the internal firewall.	No update required – recommendation already implemented.
The 'warwick-support' account should be disabled on each of the firewalls and replaced with named individual administrator accounts for those requiring access.	<i>Head of ICT:</i> Individual accounts have been created for named individuals to remove the need to use the generic 'warwick-support' account.	No update required – recommendation already implemented.
The Admin, Administrator and Guest accounts should all be renamed as a matter of good practice.	<i>Head of ICT:</i> The accounts listed have all been renamed.	No update required – recommendation already implemented.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Management should create a Disaster Recovery report template to be used during the next annual test. This should include the time taken to recover systems and services, whether recovery objectives have been met and include detail on any issues and/or actions arising from the testing.	<i>Head of ICT:</i> Accepted – A DR report template will be created in time for the 2015 DR test. November 2015.	A Disaster Recovery Template was created containing the headings detailed in the audit. This template was used and completed for ICT's annual off-site continuity test on the 23-24 November.
Software Licensing – 21 March 2015		
ICT Management should document the process to be followed when entering / amending data regarding applications in Snow. This should include detail on which fields must be completed and the extent of evidence that should be attached.	<i>Head of ICT:</i> Agreed. Ad documented process will be developed. June 2015.	A Disaster Recovery Template was created containing the headings detailed in the audit. This template was used and completed for ICT's annual off-site continuity test on the 23-24 November 2015.
ICT Management should perform an exercise to gather licensing information and evidence relating to 'line-of-business' applications. An ongoing requirement that business System Owners provide ICT with relevant license evidence at the point of acquisition should be introduced.	<i>Head of ICT:</i> Maintaining and verifying licence information can be an onerous task and therefore needs to be proportionate to the risk. It is believed that a number of our business applications have site licences or in-built connection counters which prevent licences being exceeded. ICT will conduct an audit of business app licensing models and seek further guidance from the ICT Steering Group. May 2015.	A documented procedure has been created describing the process for recording software licence information in the Snow Software Licence Manager System. This includes the fields to be completed and the documents (evidence) to be uploaded.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE	CURRENT STATE OF IMPLEMENTATION PER MANAGER
ICT Management should obtain assurance from Snow that the application accurately reflects the licenses purchased and detailed in the MLS and that any errors have been rectified.	<i>Head of ICT:</i> The import of the MLS has been completed satisfactorily.	No update required – recommendation already implemented.
Communications – 27 January 2015		
The links that the Communications strategy has with the People Strategy and Channel Strategy should be clearly established.	<i>Customer Contact Manager:</i> Noted. The Channel Strategy is complete. The links with the People Strategy in relation to Staff Engagement are now in place with a regular update being provided to the People Strategy Steering Group. December 2014.	No update required – recommendation already implemented.
The ongoing Staff Engagement work should be incorporated within the Communications Strategy.	<i>Customer Contact Manager:</i> The Staff Engagement work is incorporated within the Communication Strategy. January 2015.	No update required – recommendation already implemented.
The Communication Strategy Action Plan should be monitored and reported to the Senior Management Team at appropriate intervals.	<i>Customer Contact Manager:</i> An agenda item will be on the SMT agenda at regular intervals in addition to the Staff Engagement Action Plan updates. June 2015.	The Communication Strategy Action plan is on SMT agenda six-monthly to monitor. The last time it was considered was in November.
Homelessness and Housing Advice – 3 March 2015		

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE	CURRENT STATE OF IMPLEMENTATION PER MANAGER
<p>Care should be taken to ensure that documentation is retained with the correct case files (either electronic or paper based).</p>	<p><i>Housing Advice & Allocations Manager:</i> All staff will be reminded of the importance of document management. A monthly file audit will be introduced to monitor document management. 31 August 2015.</p>	<p>A process has been set up for carrying out the audit, however the Housing Advice and Allocations Manager post has been mostly vacant since April 2015 and therefore we have not had the capacity to carry out the audits. The third round of recruitment has just been completed following the approval of a market forces supplement and at the time of writing an offer has been made. A start date is still to be agreed, however its likely that the new manager will be in post within 3 months. A revised implementation date is 1st June 2016.</p>
<p>Staff should be reminded of the need to complete all relevant fields in Active-H accurately.</p>	<p><i>Housing Advice & Allocations Manager:</i> All staff will be reminded of the importance of completing fields on Active-H accurately. A monthly file audit will be introduced to monitor the accuracy of data entry. 31 August 2015.</p>	<p>A process has been set up for carrying out the audit, however the Housing Advice and Allocations Manager post has been mostly vacant since April 2015 and therefore we have not had the capacity to carry out the audits. The third round of recruitment has just been completed following the approval of a market forces supplement and at the time of writing an offer has been made. A start date is still to be agreed, however its likely that the new manager will be in post within 3 months. A revised implementation date is 1st June 2016.</p>

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Newbold Comyn Leisure Centre – 10 March 2015		
The £100 petty cash imprest should be repaid from one of NCLC's budgets.	<i>Sports Facilities Area Manager:</i> Petty cash imprest account has been reimbursed from NCLC budget. Petty cash no longer in use in leisure centres and has been replaced by purchase cards with authorised users. 19 March 2015.	No further action required.
The stock control option in Flex should be used as intended to enable standard stock control to operate.	<i>Operations Manager:</i> Nominated Receptionist will be responsible for carrying out stock checks and report any concerns to Operations Manager. Operations Managers will review stock records on a monthly basis and address any discrepancies. 13 March 2015.	This has been fully implemented. When deliveries are received they are checked and entered onto the flex system and stored on reception in lockable cupboards. As the stock is sold it is automatically deducted for the stock.
Supervisors and receptionists should be instructed to ensure that the end of shift cashing-up routine involves two people and that the cashing-up sheet is signed by both of them.	<i>Operations Manager:</i> A memo sent out to Receptionists and Supervisors instructing them to comply with regulation. Operations Manager will maintain an overview of compliance and raise irregularities with relevant staff. 13 March 2015.	Supervisors are now routinely cashing up alongside receptionists and signing cashing up sheets. This is checked each morning by receptionists and any discrepancies are reported to the Operations manager.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE	CURRENT STATE OF IMPLEMENTATION PER MANAGER
All staff responsible for issuing membership cards should be reminded of the importance of entering issue details on the log sheets.	<i>Operations Manager:</i> All staff reminded of the importance of completing membership card issue log. This will be monitored by the supervisors on an ongoing basis. Completed sheets are signed off by Operations Managers before being sent to Riverside House. 13 March 2015.	Log sheets are now routinely checked before being submitted to RSH. The log has improved greatly, however I will continue to remind staff at meetings the importance of completing membership card issue log.
Managers at all sites should ensure that copies of all completed membership card log sheets are forwarded to the Business Support Manager.	<i>Sports Facilities Area Manager:</i> Operations Managers send their completed logs to the Business Support Manager who will check for accuracy. 31 March 2015.	These secondary checks by the Business Support manager are now routine procedure.
The centre manager should ensure the correct application of VAT to invoices raised manually.	<i>Operations Manager:</i> All managers are aware that VAT needs to be added to fees and charges figures unless otherwise stated. Fees and charges document to be altered to make sure that non vat figures are clearly identifiable. 13 March 2015.	No further actions are required. The improved document has reduced the margin for error.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE	CURRENT STATE OF IMPLEMENTATION PER MANAGER
The centre manager should instruct all staff to complete and sign the signing in and out book and ensure that any visitors do the same.	<i>Operations Manager:</i> Memo gone out to all staff to say they have read and understood the requirement for staff and visitors to sign in and out. This will be monitored daily by the supervisor on each shift. 19 March 2015.	Monitored by shift supervisors and spot checked by Operations Manager
Economic Development – 31 March 2015		
Formal arrangements for scrutiny of DMO reports and accounts by senior management and Members should be established.	<i>Head of Development Services / Head of Finance:</i> Board reports to be circulated by ED&R manager to DS HoS and Head of Finance. Immediate. Annual Scrutiny Report or Presentation (depending on preference of scrutiny). Annually, by each November.	Reports and Minutes being circulated to DS, HoS and Head of Finance. As a result of the change of the DMO Chief Executive and the pending report of the review of tourism, the Annual report was to be wrapped up in that same report for April 2016.
Environmental Protection Functions – 30 January 2015		
Enhanced exception reporting from APP Civica should be explored to comprehensively capture unclosed service request cases.	<i>Head of Health and Community Protection:</i> Agreed. Now that we have filled a vacant post with some responsibility for collating performance data, this will be monitored through DMT meetings. April 2015.	This has been completed and data is regularly updated and reported to DMT.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Unclosed APP Civica service requests should be monitored at appropriate intervals to ensure prompt closure action where required.	<i>Head of Health and Community Protection:</i> As above. April 2015.	The backlog of open service requests was tackled. Reports are run on a regular basis so that Managers can check on unclosed cases.
The Contaminated Land Inspection Strategy should be revised to reflect the current approach to discharging the Council's obligations on contaminated land.	<i>Head of Health and Community Protection:</i> The Strategy will be revised. June 2015.	Completed. The Strategy was reported and agreed by Executive.
Refuse Collection and Recycling – 19 March 2015		
Staff should again be reminded of the need to ensure that an appropriate level of detail is recorded on Flare so that anyone else reviewing the case can ascertain exactly what has been done to resolve the issue.	<i>Senior Contract Officer:</i> This work is ongoing and has been brought up in regular 1 to 1's with the Contract Officers. This will continue on a regular basis to ensure compliance. October 2015.	This forms a part of 1 to 1 meetings and is reviewed on a regular basis. There is also a review of all business processes to commence shortly to ensure there is a consistent approach taken by all staff, including the use of the Civica APP system (Flare).
A review should be performed of the complaints that have not been closed on the system to ensure that action is, or has already been, taken as appropriate to investigate the issues raised.	<i>Senior Contract Officer:</i> Due to a recent Service Area restructure, a review of categorising will be carried out shortly. October 2015.	Formal complaints are now dealt with outside of the system. The process is overseen by Democratic Services, with written responses to all formal complaints.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE	CURRENT STATE OF IMPLEMENTATION PER MANAGER
The issues identified in relation to the variation orders are investigated and are resolved as appropriate.	<i>Senior Contract Officer:</i> The issues have been investigated and amended variation orders have been issued to the contractor. Completed.	No update required – recommendation already implemented.
A copy of the performance bond in relation to the contract should be obtained.	<i>Head of Neighbourhood Services:</i> The issue is being followed up by the Head of Neighbourhood Services with Legal Services (WCC) who are currently looking into the issue. In progress.	Bonds for all three contracts are in place and held in the deed store.

GUIDANCE ON THE ROLE AND RESPONSIBILITIES OF AUDIT COMMITTEES

Public Sector Internal Audit Standards 2013

Independence and Objectivity

The chief audit executive must...establish effective communication with, and have free and unfettered access to...the chair of the audit committee.

Glossary

Definition: Audit Committee

The governance group charged with independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting.

Audit Committees: Practical guidance for Local Authorities (CIPFA)

Core Functions

Audit committees will:

... Review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.

Suggested Audit Committee Terms of Reference

Audit Activity:

- To consider the Head of Internal Audit's report and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.
- To consider summaries of specific internal audit reports as requested.
- To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.

Called to Account: The Role of Audit Committees in Local Government (Audit Commission)

Monitoring Audit Performance

Auditor/officer collaboration

Slow delivery and implementation of recommendations reduces the audit's impact and can allow fraud to flourish or service delivery to deteriorate. Audit committees can play a key role in ensuring that auditors and officers collaborate effectively. This can enable auditors' reports to be dovetailed into the relevant service committee cycles and ensure that officers respond promptly to completed audit reports.

Management response

An audit committee can ensure that officers consider these recommendations promptly, and act on them where auditors have raised valid concerns.

Implementation

Agreed recommendations arising from audit work need to be implemented. Councils should have a forum for considering the contribution of internal and external audit and for ensuring that audit is, in practice, adding value to corporate governance.

Audit committees can be a powerful vehicle for securing implementation of audit recommendations and thereby improve the operation and delivery of Council activities.

CIPFA Technical Information Service Online

Audit Reporting

Introduction

Internal auditors should produce periodic summary reports of internal audit's opinion and major findings.


The...report could also be issued to senior management of the organisation but should primarily be issued to the audit committee to report upon the soundness or otherwise of the organisation's internal control system. This report will form the conclusion of the work undertaken by internal audit during the period of the report. A summary of the scope of this internal work should also be included in the report.

Periodic Internal Audit Reports

Audit committees should not normally be provided with the full text of internal audit reports. Audit reports are mainly concerned with operational details while audit committees and members or non-executive directors should be concentrating on ensuring that the organisation's system of internal control is effective and that the strategic or corporate objectives are being achieved efficiently. Members or non-executive directors' interest in internal audit should normally be restricted to gaining an assurance that the organisation's systems of internal control are adequate and that where audit does not consider this to be the case that action is taken to ensure that any short comings are rectified promptly.

Audit committee members should not usually get involved in discussing individual internal audit findings or recommendations but should concentrate their attentions on the opinions internal audit express on the activities and systems they have reviewed. These opinions should be summarised and should provide a clear opinion on the overall quality of the organisation's internal control system and the general level of performance across the organisation. Members or non-executive directors should not be over concerned with adverse internal audit conclusions if reasonable recommendations suggested by internal audit have been accepted and that these have been promptly implemented.

If, however, major internal control weaknesses are discovered these should be reported to the audit committee as this may indicate general weaknesses in the management of the section or the department concerned. Audit findings that appear to show a common thread of similar weaknesses throughout the organisation should also be reported to the audit committee.

 FINANCE & AUDIT SCRUTINY COMMITTEE 8 MARCH 2016		Agenda Item No. 5
Title		Annual Governance Statement Action Plan 2015/16: Review of Progress
For further information about this report please contact		Richard Barr Tel: (01926) 456815 E Mail: richard.barr@warwickdc.gov.uk
Wards of the District directly affected		All
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?		No
Date and meeting when issue was last considered and relevant minute number		1 December 2015
Background Papers	Accounts and Audit (England) Regulations 2011 Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE 2007) Delivering Good Governance in Local Government: Framework (Addendum) (CIPFA/SOLACE 2012) Delivering Good Governance in Local Government: Framework and Guidance Note for English Authorities (CIPFA/SOLACE 2012) The Annual Governance Statement – Rough Guide for Practitioners (CIPFA Financial Advisory Network) Minutes of Senior Management Team	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality & Sustainability Impact Assessment Undertaken	No (N/A: no direct service implications)

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	18 Feb 2016	Chris Elliott / Andrew Jones
Head of Service	20 Jan 2016	SMT
Monitoring Officer	18 Feb 2016	Andrew Jones
Human Resources		
Section 151 Officer	18 Feb 2016	Mike Snow
Finance	18 Feb 2016	As S151 Officer
Portfolio Holder(s)	18 Feb 2016	Councillor Mobbs

Consultation & Community Engagement	
Senior Management Team review of Annual Governance Statement Action Plan	
Final Decision?	Yes
Suggested next steps (if not final decision please set out below)	

1 **SUMMARY**

- 1.1 The purpose of this report is for Committee to review the progress that is being made in addressing the 'Significant Governance Issues' facing the Council set out in its Annual Governance Statement 2014/15. The appendix accompanying this report sets out the progress in addressing the Significant Governance Issues.

2 **RECOMMENDATIONS**

- 2.1 That Committee should review the Action Plan set out in the Appendix and confirm whether it is satisfied with the progress being made in addressing the Significant Governance Issues relating to the Annual Governance Statement 2014/15.

3 **REASONS FOR THE RECOMMENDATIONS**

- 3.1 To help fulfil Members' responsibility for effective corporate governance within the Council.
- 3.2 To provide assurance to Members that governance issues identified as part of the compilation of the Annual Governance Statement are being addressed.

4 **POLICY FRAMEWORK**

- 4.1 The Annual Governance Statement describes governance arrangements relating to the Council's corporate priorities and key strategic projects that are reflected in Fit for the Future. The Fit for the Future programme is also based on an agreed set of values amongst which are the ones of openness and honesty. This is integral to the consideration of governance in an organisation; governance issues needs to be discussed and debated and mitigations put in place in order to prevent or rectify weaknesses.
- 4.2 The arrangements will assist the Council in furtherance of its priority of providing clear community leadership and effective management of resources whilst delivering responsive public services in an open and transparent manner.

5 **BUDGETARY FRAMEWORK**

- 5.1 Although there are no direct budgetary implications arising from this report, an effective Budgetary Framework is a key element of corporate governance. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.

6 **RISKS**

- 6.1 Risk management is an intrinsic element of corporate governance. There are various risks associated with the Significant Governance Issues and these not being addressed satisfactorily.

7 **ALTERNATIVE OPTIONS CONSIDERED**

- 7.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

8 CORPORATE GOVERNANCE IN LOCAL AUTHORITIES

- 8.1 CIPFA/SOLACE emphasise that corporate governance is everyone's business and define it as:

"How the local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities." CIPFA/SOLACE (Chartered Institute of Public Finance & Accountancy/Society of Local Authority Chief Executives)

- 8.2 CIPFA/SOLACE has issued a framework and guidance on delivering good governance in local government. The framework is built on the six core principles set out in the Good Governance Standard for Public Services that were themselves developed from earlier work by Cadbury and Nolan. The principles in relation to local government as set out in the framework are:

- a clear definition of the body's purpose and focusing on the outcomes for the community and creating and implementing a vision for the local area;
- members and officers are working together to achieve a common purpose with clearly defined functions and roles;
- promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- developing the capacity and capability of members and officers to be effective;
- engaging with local people and other stakeholders to ensure robust public accountability.

Both the Annual Governance Statement and the Council's Code of Corporate Governance reflect these six themes.

9 ANNUAL GOVERNANCE STATEMENT

- 9.1 The production of an Annual Governance Statement is a statutory requirement for local authorities.
- 9.2 Regulation 4 of The Accounts and Audit (England) Regulations 2011 states:

Responsibility for financial management

4.—(1) The relevant body is responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk.

(2) The relevant body must conduct a review at least once in a year of the effectiveness of its system of internal control.

(3) The findings of the review referred to in paragraph (2) must be considered—

(a) in the case of a larger relevant body, by the members of the body meeting as a whole or by a committee, and

(b) in the case of a smaller relevant body, by the members of the body meeting as a whole, and

following the review, the body or committee must approve an annual governance statement, prepared in accordance with proper practices in relation to internal control.

(4) The relevant body must ensure that the statement referred to in paragraph (3) accompanies—

(a) any statement of accounts it is obliged to prepare in accordance with regulation 7, or

(b) any accounting statement it is obliged to prepare in accordance with regulation 12.

9.3 The CIPFA Financial Advisory Network has published an advisory document entitled "The Annual Governance Statement: Rough Guide for Practitioners". Its advice is that the Annual Governance Statement is a key corporate document and the most senior member and the most senior officer (Leader and Chief Executive respectively) have joint responsibility as signatories for its accuracy and completeness. It advises that it should be owned by all senior members and officers of the authority and that it is essential that there is buy-in at the top level of the organisation. It advises that the work associated with its production should not be delegated to a single officer.

9.4 The Leader and Chief Executive of the Council as signatories to the Annual Governance Statement need to ensure that it accurately reflects the governance framework for which they are responsible. In order to achieve this they will rely on many sources of assurance, such as that from:

- Deputy Chief Executives and Service Area Managers
- the Responsible Financial Officer
- the Monitoring Officer
- Members
- the Audit and Risk Manager
- performance and risk management systems
- third parties, e.g. partnerships
- external audit and other review agencies.

10 THE SIGNIFICANT GOVERNANCE ISSUES

10.1 The governance issues facing the Council have been identified from production of the statutory Annual Governance Statement.

10.2 The Significant Governance Issues are summarised in the Annual Governance Statement Action Plan for 2015/16 that forms part of the Annual Governance Statement for 2014/15.

10.3 The Annual Governance Statement (incorporating the Action Plan setting out the Significant Governance Issues) has been approved by Full Council.

- 10.4 The appendix accompanying this report sets out the progress in addressing the Significant Governance Issues.
- 10.5 The progress in addressing these governance issues is reported by the officers that are leading on them.

Annual Governance Statement 2014/15: Action Plan for Significant Governance Issues


Review of Progress to end of December 2015

AGS Ref.	Significant Governance Issue (SGI)	Responsible Officer	Progress Implementing SGI	
			Position as at previous quarter	Position as at end Dec 2015
3.4.1	All constitution-related documents that have not been reviewed in the previous twelve months to be reviewed.	Civic & Committee Services Manager (DMO) (Overseen by Deputy Chief Executive (AJ))	This had to be placed on hold for this quarter due to absence of key members of staff. However, it is anticipated that Articles 1-16 will be brought to Executive in December 2015 for consideration.	A report updating the Constitution, including Articles 1-16, will be considered by the Executive in January 2016 and should be confirmed by Council on 27 January 2016.
3.6.2	Service-specific contract management training to be delivered to relevant managers.	Head of Finance	Contract Management Training provided September 24. Any further service related contract management training to be arranged by the relevant service.	Issue has been addressed as detailed at previous quarter.
3.6.3	Procurement training to be provided to new Members.	Head of Finance	Training attended by members.	Issue has been addressed as detailed at previous quarter.
3.6.11	Service risk registers to be reviewed by service management teams and portfolio holders on at least a quarterly basis.	Service Area Managers (Overseen by CMT)	Service Risk Registers reviewed by Heads of Service and respective Portfolio Holders on an ongoing basis.	Issue being addressed on an ongoing basis as detailed at previous quarter.

AGS Ref.	Significant Governance Issue (SGI)	Responsible Officer	Progress Implementing SGI	
			Position as at previous quarter	Position as at end Dec 2015
3.6.13	Business Continuity Plans for services to be updated.	Service Area Managers (Overseen by CMT)	<p>As per Sam Collins, Civil Contingencies Officer:</p> <ul style="list-style-type: none"> •Neighbourhood Services – Completed August 2015. Action Plan initiated to mitigate any identified vulnerabilities within the department. •Health & Community Protection – Updated July 2015 •Finance – reviewed and updated in August 2015. Further work on-going. •Housing & Property Services – Updated July 2015 •Cultural Services – Updated July 2015 •Development Services – Updated July 2015. •CEX Office – HR Manager, Democratic Services Manager & Civil Contingencies Officer have met and have agreed to develop a shared plan for HR, Media & Democratic Services. Estimated completion date February 2015. •CEX Office – ICT Services. Civil Contingencies Officer & ICT Services Manager have met. ICT Services Manager to develop plan throughout December 2015. 	<p>As per Sam Collins, Civil Contingencies Officer:</p> <p>Neighbourhood Services – Completed August 2015 with associated action plan. Next action plan progress meeting scheduled for Jan 2016.</p> <p>Finance – reviewed and updated in August 2015. Meeting scheduled with Head of Service scheduled for 29th January to review current document including incorporation of Revs & Bens and Switchboard.</p> <p>Health and Community Protection – to be reviewed in April 2016 upon commencement of new departmental management team.</p> <p>Housing, Development & Culture – to be reviewed and updated as necessary reflecting personnel, structural or procedural changes.</p> <p>CEX Office – HR / Democratic Services. Due to Democratic Services restructure it has been agreed to split the plan into two departmental plans and consolidate at an appropriate time. Progress meetings with both departmental heads scheduled for January.</p> <p>CEX Office – ICT Services – Progress meeting held on 07th January. On track for completion February 2016.</p>

AGS Ref.	Significant Governance Issue (SGI)	Responsible Officer	Progress Implementing SGI	
			Position as at previous quarter	Position as at end Dec 2015
3.8.4	Budget monitoring systems to continue to be improved.	Head of Finance	<p>Following on from 2014/15 outturn, main area of concern is the variances for Property Services, relating to the use of the Active H and Total systems. The use of how these 2 systems work together is being considered as a project, for which a project team is currently being set up by the Head of Housing & Property Services.</p> <p>Initial meetings between Finance and H&PS held, with last meeting on 3 August.</p>	Following more recent meetings between Finance and H&PS, H&PS are arranging for all contract payments (except energy bills) to go through Active H from April 2016, with old outstanding jobs within Active H being closed.
3.10.5	Training to be provided to Portfolio Holders and Shadow Portfolio Holders to help them fulfil their role effectively.	Civic & Committee Services Manager (DMO) (Overseen by Deputy Chief Executive (AJ))	Comprehensive training programme is being delivered and will continue for the remainder of the financial year.	Issue being addressed on an ongoing basis as detailed at previous quarter.
4.4.1	The Code of Corporate Governance to be reviewed and updated. (Brought forward from last year.)	Audit & risk Manager (Overseen by CMT)	Confirmation obtained that document is required to be condensed. Audit & Risk Manager will take progress through SMT and committee.	The new Code of Corporate Governance has been approved by Executive. It will be considered for adoption by Council on 27 January 2016.

AGS Ref.	Significant Governance Issue (SGI)	Responsible Officer	Progress Implementing SGI	
			Position as at previous quarter	Position as at end Dec 2015
4.7.3	To ensure that the necessary management actions emanating from the internal audit reviews of Corporate Procurement, Shared Legal Services and Section 106 Agreements (which all received moderate assurance opinions) are acted upon in accordance with the required timescales.	CMT / Head of Finance	Corporate Procurement issues being addressed as part of Procurement Action Plan. All the Legal Services recommendations have been actioned.	Corporate Procurement actions being addressed on an ongoing basis as detailed at previous quarter. The Legal Services Issue has been addressed as detailed at previous quarter.

 Finance And Audit Scrutiny Committee 8 March 2016		Agenda Item No. 6
Title	Procurement Progress update	
For further information about this report please contact	John Roberts-Procurement Manager	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number		
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes/No
Equality & Sustainability Impact Assessment Undertaken	No (If No state why below)
No assessment as this is a progress report.	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	26 February 2016	Andy Jones
Head of Service	26 February 2016	Mike Snow
CMT		
Section 151 Officer	26 February 2016	Mike Snow
Monitoring Officer	26 February 2016	Andy Jones
Finance	26 February 2016	John Roberts
Portfolio Holder(s)	26 February 2016	Cllr Peter Whiting
Consultation & Community Engagement		
Insert details of any consultation undertaken or proposed to be undertaken with regard to this report.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. SUMMARY

- 1.1. This report serves to update progress on procurement during the financial year 2015/16.

2. RECOMMENDATION

- 2.1. It is recommended that the advances in procurement are noted.

3. REASONS FOR THE RECOMMENDATION

- 3.1. It was agreed at the July 2010 Executive as part of the Procurement Strategy that Members would receive an annual updates on the progress of procurement and the procurement strategy. This is one of the actions within the Procurement Action Plan. The Procurement Strategy and Action Plan are attached to this report.
- 3.2. Councillors Rhead, Barrott, Gifford, Heath and Quinney are currently the "Procurement Champions" following the recent election in May 2015. The role of the group is to discuss the progress on the procurement action plan and to "champion" the procurement work that is on-going. The group will continue to support the Procurement team in ensuring that service areas that have a responsibility for contract management and for managing the contract life cycle including costs and complete their service area plans to reflect the future contracts renewal programme in a timely manner. Contracts registers will continue to be issued to all Heads of Service to ensure all contract information held on the register is up to date and accurate. These registers are considered by Finance and Audit Scrutiny Committee in turn. The Procurement team and Procurement Champions are keen to ensure that spend activity via the Total system is accounted for either by a contract / agreement in place or with a valid reason for the spend, in line with the Code of Procurement Practice / Code of Financial Practice.

4. POLICY FRAMEWORK

- 4.1. **Policy Framework** – Procurement activity complies with the Codes of Procurement and Financial Practice. In all cases the corporate strategy is supported with particular emphasis on 'our values'.
- 4.2. **Fit for the Future** – Procurement activity is central to the delivery of the 'Fit for the Future' programme through the planning stages of the process. It also contributes to savings element of the 'Fit for the Future' programme as an outcome of the process.

5. BUDGETARY FRAMEWORK

- 5.1. The actions to date from the Procurement Action Plan have all been within budget and had a positive contribution to savings and efficiencies.

6. RISKS

- 6.1. Good procurement is part of good risk management. Contract management needs to be robust to ensure services are properly managed and risks are minimised.

- 6.2. Correct procurement should minimise the risk of challenge in the award of contracts. At all stages it is necessary that the relevant legislation and best practice is followed.

7. ALTERNATIVE OPTION(S) CONSIDERED

- 7.1. No alternatives options are for consideration as this is a progress report.

8. BACKGROUND

- 8.1. The Code of Procurement Practice 2015 continues to be utilised for procurement activity across the Council. The code now reflects changes in the Public Contract Regulation 2015, EU Directives 2015, Local Transparency Agenda 2014 and the Public Service (Social Value Act) 2012.
- 8.2. The table illustrates the position for the current year to date relative to previous years, of contracts awarded:

	2013/14	2014/15	2015/16 up to Sept 2015
Collaborative exercises		1	3
Full OJEU tender	2	2	7
Direct award*	3	2	5
Low value tender	11	12	16
3 Quotes	23	31	14
** Mini-competition using compliant framework	4	7	11
*** Exemptions	4	2	3
**** Non Award	2	0	0

* Direct award in accordance with the Public Contracts Regulations 2006, Regulation 14 exemption due to technical compatibility requirements.

** These are in addition to contracts let compliantly using frameworks let by other contracting authorities where there was no requirement for further competition but the Council still benefited from the aggregated value of the collaborative arrangement.

*** Reports submitted for approval to extend a current arrangement for a period of time to enable a procurement exercise to be streamlined when working as part of collaboration or due to a delay in renewal process.

**** Tendering exercises that was carried out but due to a particular circumstance did not proceed to award and exercise cancelled.

- 8.3 All opportunities over £10k are carried out using the CSW-JETS e-tendering portal to ensure fairness and transparency.

8.4 Procurement activity From April 2015 to February 2016

Awarded Contracts in Financial Year 2015/16 up to February 2016

Key Table: Explaining Contracts let in 2015/2016 (Refer to Table 1 above)

Key Colour Code	Threshold Value in £	Number of contracts Let
A	£0<£4,999	10
B	£5,000<9,999	8
C	£10,000<49,999	17
D	£50,000> EU	8
E	> Above OJEU	7

Table: 1

Colour Code	Reference	Description	Service Areas	From	To	Value (£)	Supplier
A	CE23DA0615	Printing of Poll Cards	Chief Executives Office	One Off Project		£2,000	ERS
E	CS45DA0515	Leisure Centre Investment Programme – Technical & Professional Services	Cultural Services	1/05/15	TBC	£202,000	MACE
C	DS33DA0615	Commercial Advice to WDC for Housing Development	Development Services	01/06/15	31/03/16	£10,000	DTZ Debenham Tie Leung Ltd
C	DS36DA0715	Valuations & General Services to WDC	Development Services	01/08/15	31/07/15	£10,000	Valuation Office Agency
C	DS27LV0615	Provision of Autumn and Yuletide Markets	Development Services	01/06/15	01/01/18	£12,000 (income)	EG Sketts Co.
D	DS32LV0615	External Funding Advisor	Development Services	19/06/15	18/12/15	£50,000	ATI Projects Ltd
C	HC14LV0415	HEAT Planning & Energy Master Planning Consultancy	Health & Community Protection	01/05/15	31/10/15	£42,410	AECOM Ltd
C	HC15LV0615	Voluntary Sector	Health & Community Protection	01/07/15	31/01/18	£30,000	Crown Routes
A	HC19LV0815	Public Health Funerals	Health & Community Protection	01/09/15	31/08/18	£450 per cremation	LM Funerals trading as Henry Isons Funeral Directors
D	HP99LV0415	Tenants, Leaseholder and Shared Owner Contents Insurance	Housing & Property OCSL Services	01/06/15	31/05/18	Cost is variable per month Estimated	Thistle Insurance Services Ltd

Colour Code	Reference	Description	Service Areas	From	To	Value (£)	Supplier
						cost is £120,000 over 3 years	
C	HP100LV0515	Provision of Rural Housing Enabler Services	Housing & property Services	01/04/15	31/03/19	£38,806	Warwickshire Rural Community Council
D	CS47LV0615	Management of the Car Park facilities at the Bowls England Championships based at Victoria Park	Cultural Services	01/07/15	31/06/20	£117,763	CJ's Events Warwickshire Limited
D	CE21OJ0415	Data Centre Support	Chief Executive Office	01/05/15	30/04/17	£104,466	OCSL
E	HP101MC0715	Maintenance of Cremators and Associated Plant	Housing & Property Services	01/07/15	30/06/18	£293,853	ATI Environmental UK Ltd
D	NS31MC0415	Provision and installation of playground equipment at Eagle Rec, Leamington Spa	Neighbourhood Services	01/05/15	One off	£53,000	Wicksteed Leisure Limited
B	CE22TQ0615	ICT consultancy for system migration	Chief Executive Office	22/06/15	One off	£6,800	Phoenix Software Ltd
C	CE24TQ0815	DATA WAN Link from RH to St Nicholas Park	Chief Executive Office	01/10/15	30/09/18	£13,462.80	British Telecom
A	CE25TQ0915	Transcription Services	Chief Executive Office	01/19/15	31/08/17	£2,000	Virtuoso Assistant
C	CS46TQ0515	Luxury Ice Cream – Royal Spa Centre	Cultural Services	01/07/15	30/06/20	£34,490	First Service Frozen Foods Ltd
C	CS49TQ0815	Hot Drinks – for resale	Cultural	10/08/15	09/08/16	£12 000 over	The Café

Colour Code	Reference	Description	Service Areas	From	To	Value (£)	Supplier
		at Royal Spa Centre	Services			three years. This contract is for 1 year with possible further 4 X 1 yearly extensions, Renewal is subject to performance during the initial term. Based on Estimated £3000 spend per annum	Azzurro Coffee Company Ltd

C	NS32TQ0615	Provision and installation of playground equipment at Roxburgh Croft Park, Leamington Spa	Neighbourhood Services	15/06/15	One off	£17,000	Proludic
C	NS33TQ0815	Chairs for the North Chapel, Oakley Wood	Neighbourhood Services	11/08/15	One off	£10,779	Rosehill Furniture Group
E	HP102OJ0715	Asbestos Removal Services	Housing & Property Services	03/09/15	02/09/20	£2,000,000	Shield Environmental Services Limited
E	HP103OJ0715	Asbestos Surveying and Testing Services	Housing & Property Services	03/09/15	02/09/20	£1,000,000	Tersus Consultancy Limited
B	HC11LV0415	Air Quality Monitoring	Health & Community Protection	01/04/15	31/03/18	£5,432	We Care 4 Air
D	DS35MC0615	Asset Valuations	Development Services	10/07/15	10/07/21	£88,000	Carters Jonas
A	HC17LV0715	MOT's and Fleet Inspections of Hackney	Housing & Property Services	01/07/15	30/06/18	Facilitation Contract	Gas Guzzlers Garage

		Carriages and Private Hire Vehicles					
A	HC16LV0715	MOT's and Fleet Inspections of Hackney Carriages and Private Hire Vehicles	Housing & Property Services	01/07/15	30/06/18	Facilitation Contract	Tyreman ltd

A	HC18LV0715	MOT's and Fleet Inspections of Hackney Carriages and Private Hire Vehicles	Housing & Property Services	01/07/15	30/06/18	Facilitation Contract	H M Bryan & Sons
C	DS36DA0715	Valuation and General Services to WDC	Development Services	01/08/15	31/07/16	£10,000	Valuation Office
C	HC23LV0216	Electric Vehicles Charging Infrastructure	Health and Community Protection	29/02/2016	23/03/2016	£11731.25	Franklin EV Ltd
A	HP103LV1215	Provision of structural surveys, options appraisal and schedule of works	Housing and Property	11/11/2016	04/12/2016	£4000	Odgers Conservation Consultants Ltd
E	HP102OJ1215	Provision of Gas Supply Contract	Housing & Property	01/04/2016	31/03/2018	£392458.50	Gazprom
C	HC22LV1215	Security for Riverside House	Health & Community Protection	01/04/2016	31/03/2019	£35979.20	Mitie Security LTD
E	HP101OJ1215	Housing Adaptations	Housing & Property	01/04/2016	21/03/2018	£510176.56	FSG Property services
C	CS53LV1215	Mini Golf St Nicholas Park	Culture Services	01/04/2016	01/03/2021	£10600	Warwick Tea Rooms
A	HC21TQ1215	The guide dogs for the	Health & Community	11/12/2015	01/06/2017	£40 per delegate	The Guide Dogs for the Blind Association

		blind association taxi drivers awareness training	Protection				
B	DS38TQ1115	Consultancy on Heritage & Settings Assessment	Development Services	16/11/2015	04/12/2015 Contract is now completed	£6905	Amec Foster Wheeler Environmental & Infrastructure UK Ltd
C	CE28DA1215	SIP Telephony	Chief Executive	01/12/2015	30/11/2018	£28356	Daisy Public Sector
A	DS37TQ1115	Commercial Advise for Lillington Project	Development Services	11/11/2015	31/05/2016	£4500	GVA Ltd
B	CE26TQ1015	Net Support Service Desk System	Chief Executive	01/10/2015	30/09/2018	£5274	Grey Matter
B	CS52TQ1015	12 month hire& delivery of Avonlite Art 2000 dimmer rack	Culture Services	23/10/2015	26/10/2016	£5987	Agility Events
A	CS51TQ1015	Profiling of Royal Spa Centre Box office	Culture Services	01/10/2015	30/09/2019	£4450	The Audience Agency
D	HP100CF1015	Warden Call, Access, FFE and FDE Equipment	Housing Property	01/10/2015	30/09/2017	£164,664	SCCI Alphatrack
B	CE29TQ0216	100 Mbps Fibre link to Spa Centre	Chief Executive	01/01/2016	31/12/2019	£9990	BT

B	CS50DA0815	Beer Wines and spirits including servicing of associated equipment	Culture Services	26/08/2015	25/08/2016	£7000	Carlsberg
B	DS37TQ1115	Landscape Assessment Process for Warwick Local plan	Development services	11/11/2015	04/12/2015	£8640	Richard Morrish Associates Ltd
C	FI32DA1015	Enforcement officer Services	Finance	01/10/2015	30/09/2017	Commission based Contract	Bristow Suitor
D	NS35LV0216	Victoria Park Skate Facility	Neighbourhood Services	01/04/2016	31/10/2016	£109,873.35	Canvas Spaces Ltd
D	NS36LV0216	Pump Room Gardens Restoration Project Manager	Neighbourhood Services	09/02/2016	31/01/2021	£55,800	kite
E	HP105OJ0116	Door Entry Systems contract Maintenance & Upgrade	Housing Property	01/04/2016	31/03/2018	£362,190.54 Contract value based on £181 095.27 per annum X 2 Years initial term	Baydale

Table: 2 Live Tendered Opportunities (Not Awarded)

Key Colour Code	Description	Budgeted Total Contract Value	Procurement Process	Projected date for award	Service Area
E	Electrical Maintenance & Repairs	£1,000,000	Tendered	01/03/2016	Housing and Property
E	St Nicholas and Newbold Comyn Leisure Centre Development	£9,000,000	OJEU Competitive Procedure With Negotiation on Design Risk Only	29/07/2016	Culture Services
E	Waste Containers Recycling products Contract	£650, 000	Mini Competition ESPO framework	28/03/2016	Neighbourhood services
D	Pumping Station maintenance Contract	£100,000	Open Published Tender	26/02/2016	Health & Community Protection
D	Repair of Brick Boundary Wall	£70,000	Open Published Tender	02/05/2016	Housing Property

Table: 3 Planned Tender Exercises (In the Pipeline @ Specification Scoping Stage)

Key Colour Scheme	Description	Budgeted Total Contract Value	Procurement Process	Projected date for award	Service Area
E	Cash Collection	£400,000	OJEU Open	August 2016	Neighbourhood Services
E	All Payment Processing Re-let	£350, 000	OJEU _ open	August	Neighbourhood Services
E	Pantomime	£1,000,000	Competitive Dialogue	01/10/2016	Culture Services
E	Electricity supply Contract	£700, 000	Mini Comp Framework	01/06/2016	Housing Property
C	Kerosene supply	£30,000 Contract value over 3 years	Open Tender	01/04/2016	Housing Property
C	LPG Supply	£105,000 Contract value over 3 years	Open Tender	01/04/2016	Housing Property
C	Emergency Accommodation	£80,000	Open tender	01/06/2016	Housing Property
E	Memorial Monuments Safety Contract	£170,000 Over the life of the Contract (4Years)	OJEU	01/06/2016	Housing Property

Key Colour Scheme	Description	Budgeted Total Contract Value	Procurement Process	Projected date for award	Service Area
E	Leisure Management Contract	Potential Income derived is projected @ £600,000 by (Year 4) or Potential contribution by the Council of £140,000 per annum	OJEU Open	01/07/2016	Culture Services
D	Stationery	£90,000 for previous years	Collaborative Framework	01/07/2016	Corporate Contract DMC
C	Washrooms	£20,000	Open Tender	01/06/2016	Health & Community
A	Water Coolers	£2,000 per annum	Mini Competition	01/06/2016	Health & Community
E	Elections Printing	£174,000	Open Tender	01/06/2016	Chief Executives
D	Estates professional Services	£60,000 per annum	Open Tender	01/06/2016	Development Services
B	Town Centre Banner erecting & other Events (Kenilworth & Royal Leamington	£10,000	Open Tender	01/06/2016	Development Services
D	Pay on Foot maintenance Contract	£160, 000	Open	01/06/2016	Neighbourhood Services
C	Electric Vehicles Leasing Contract	£38308	Framework Mini competition	01/03/2016	Health & Community

Key Colour Scheme	Description	Budgeted Total Contract Value	Procurement Process	Projected date for award	Service Area
A	Big Word Translation Services	£1000 Per Annum	Open tender	01/06/2016	Neighbourhood Services

- 8.5 The Procurement Strategy and Action Plan for 2016 are attached.
- 8.6 Procurement Awareness Training has been delivered across the council to staff that have a budget responsibility and are involved in procurement decision. This training was supported by the Legal team from Warwickshire County Council to ensure a consistent message was delivered. Elected Member training has also been provided explaining the role of elected Members in the Procurement Process. All training has been positively received. Further sessions are scheduled.
- 8.7 Advanced Procurement training is planned for 2016.
- 8.8 Further principles of Contract Management training is planned for 2016 to follow on from the session provided in September 2015.
- 8.9 Heads of Service have nominated team members that have responsibility for Contract Management as part of their role for the training.
- 8.10 The Procurement Manager remains heavily involved in a number of strategic tender projects that are due to be finalised and mobilised by April 2016.
- 8.11 As yet, it has still not been possible to successfully recruit to the three year Procurement Officer post.
- 8.12 As contracts come up for renewal we look to collaboration opportunities and framework arrangement accessible for WDC to utilise i.e. Crown Commercial Services, ESPO, YPO , Fusion 21 and HCA
- 8.13 The Procurement team is still monitoring and approving new creditor requests. This has resulted in less new suppliers being added to the finance system and more sign posting to current contracts.
- 8.14 Any new suppliers that register on the e-tendering portal (CSW-JETS) need to identify their supplier category i.e. SME. This will help with future reporting on supplier types registered.
- 8.15 The Contracts Register has been reviewed with all Service Heads and budget holders to ensure all information held on the register is correct. Contract details now entered onto the register include live contracts, the contract values, and that the contract period dates are in line with the signed contract. Where a contract is due to expire, an explanation is entered and renewal programme agreed. The register will continue to be monitored and entries challenged where applicable. The register will form the basis for providing Procurement work plans in the future and budget management. It is the intention to migrate the contract register and on-going contract management onto the CSW-JETS system. This will encourage supplier engagement in the contract management process. To assist to expedite this migration, it is intended to recruit a temporary Data Input officer. Discussions are being held with HR to progress this appointment.
- 8.16 The Contracts Register will continue to be published on the internet quarterly in line with Local Transparency Code.

- 8.17 The current agreed Procurement Strategy and Action Plan is now live and attached for members' consideration, along with the proposed Action Plan for 2016/17.
- 8.18 Aside from managing and assisting with tender processes, the Action Plan includes the following key projects:-
- Transfer of Contract Register onto Intend procurement system.
 - Rolling out the use of Intend to Contract Managers to assist with contract management and tender processes.
 - Undertake Spend Analysis to identify tender opportunities.
 - Further Procurement training, including advanced procurement and contract management.
- 8.19 The Code of Procurement Practice is under review. Proposed changes are plane to come before members in April. A key proposal will be to review the thresholds, notably for contracts between £10,000 and £25,000.

PROCUREMENT ACTION PLAN 2015/2016 22.02.2016

Ref No.	Activity	Responsibility	Key Actions 2015 / 16	Procurement dept. Delivery Action Plans
1	MANAGEMENT			
1.1	Produce bi-annual reports to Finance and Audit Scrutiny Committee on all procurement activity undertaken in the preceding period and any efficiencies identified.	Procurement Manager	Ensure the Contracts Register is up to date. Keep records of all Procurement activity required for the report.	<i>In order to ensure that this contact register is kept up to date, we have asked Heads of Service to arrange for the Contact Register to be updated on a quarterly basis. The updates are to be completed by the first working Monday in April, July, October and January.</i>
1.2	Work with service areas / end users to develop clear / robust quotation / tender documentation ensuring their specification is in line with business needs of the Council, where appropriate.	Procurement Manager / Procurement Officer / Service Area Representatives	Promote project style procurement exercises.	<i>Further work needs to be done with Managers and key Stakeholders to ensure Procurement is embedded in the business plans / process at an early stage. We have carried out a review of the contract register and identified current contracts that, potentially, need to be reviewed. We are arranging to meet with the named contacts. A procurement workload programme will be put together to capture all tendering opportunities once these meetings have been completed.</i>
1.3	Service plans and team operational plans to reflect planned tender activity.	Senior Managers	Service Managers to review as part of Service Plan process.	<i>Currently investigating if there are any new business intentions which need to be dovetailed onto future procurement work plans.</i>
1.4	Encouraging local suppliers, SME's and the voluntary and the third sector to compete for Council contracts and ensure such opportunities are promoted locally.	Procurement Manager / Economic Development	Identify opportunities for SME's within the procurement process. Promote the use of the e.tendering portal to potential suppliers either through clear links on the external web site and on other communication tools, where applicable.	<i>Investigating signing up to Small Business Friendly Procurement Charter. Have inserted the following rules in the new Procurement Code of Practice - "A minimum of two local Suppliers must be invited to bid. In order to promote procurement opportunities and increase the number of local SME's registered on the E Portal, invitations to Participate will be circulated using Federation of Small Businesses weekly e mail".</i>
1.5	Ensure that there are no unintentional breaches in the EU procurement threshold.	Procurement Manager/Heads of Service	Contract Register Annual Review (See M5) Evaluation of 2014 Spend Analysis (see S1). Contract management by end users.	<i>See item 1.</i>
1.6	Maintain contracts register	Heads of Service	On-going updating as contracts awarded. On-going review of contracts register by Heads of Service Annual review of register of include details of annual spend.	<i>See item 1. Seeking to employ a data input clerk on a temporary basis to update In tend contract management section.</i>
1.7	Quarterly publication of Contracts Register	Procurement Officer	Quarterly publication of register in line with the requirements of the Transparency Code	<i>See item 1.</i>

Ref No.	Activity	Responsibility	Key Actions 2015 / 16	Procurement dept. Delivery Action Plans
1.8	Carry out procurement awareness training sessions to increase and maintain knowledge of procurement regulations and the Council's policies	Procurement Manager	<p>Keep up to date with any changes in procurement legislation.</p> <p>Carry out training in a timely manner to prevent the Council being in breach of any legislation changes.</p> <p>Work closely with the Legal team and other local Councils.</p> <p>Share 'best practice'.</p>	<i>Further training to be provided in 2016</i>
1.9	Lead on procurement activity in line with the Code of Procurement Practice.	Procurement Manager / Procurement Officer	<p>Involvement in all tender processes. To be monitored as part of contracts awarded.</p> <p>Utilise procurement plans to agree support requirements</p>	<i>Ongoing</i>
2	POLICIES			
2.1	Review and update Code of Procurement Practice.	Procurement Manager	Incorporate changes to procurement legislation and the Council's business requirements.	<i>Amended C o P drafted, intended to report to April 2016 Executive.</i>
2.2	Review and update Procurement Strategy document and update actions for the forthcoming year.	Procurement Manager	<p>Incorporate changes to in procurement legislation and the Council's business requirements.</p> <p>Progress to be reviewed as part of bi-annual reporting to F&A.</p>	<i>Ongoing</i>
3	SUPPLIER MANAGEMENT			
3.1	Undertake an annual audit of spend and number of transactions.	Procurement Manager / Exchequer Manager	<p>Undertake an annual Spend Analysis of suppliers.</p> <p>Production of monthly Service Plan Measures ie transaction numbers, where applicable.</p>	<i>Have begun investigations into utilising a CCS framework to carry out an analysis of our spend and categorise into Proclass categories. My aim is to implement cost saving opportunities taking into account the totality of our spend in each category and to optimise economies of scale.</i>
3.2	Reduce the number of tenders for each supply area through collaboration of tender opportunities.	Procurement Manager / Procurement Officer	<p>Consolidating services, using the Spend Analysis, Contracts Register and procurement plan for future procurement activity.</p> <p>Work with other local councils to identify collaboration</p>	<i>Ongoing</i>

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Ref No.	Activity	Responsibility	Key Actions 2015 / 16	Procurement dept. Delivery Action Plans
5.1	As part of the pre tender process explore the use of buying consortia for the bulk purchase common goods and utilities, for example through ESPO, Fusion 21, Home & Communities Agency, PRO5 or Crown Commercial Services.	Procurement Manager /Property Services	Details to be reported as part of bi-annual reports to members.	Ongoing
5.2	Investigate and where applicable enter into joint arrangements for procurement of goods and services with other Local Authorities.	Procurement Manager	Details to be reported as part of bi-annual reports to members.	Ongoing
5.3	Utilise framework agreements as a preference to negotiating local agreements for high value contracts of general goods and services (e.g. IT hardware, telecoms, energy).	Procurement Manager / Heads of services	Details to be reported as part of bi-annual reports to members.	Ongoing
5.4	Where possible ensure that the letting of contracts permits use by other Local Authorities within the WMRIEP area.	Procurement Manager / Procurement Officer	Where applicable include a clause in the tender / Contract documentation that permits the use by other Local Authorities within the WMRIEP area.	Ongoing
6	E-COMMERCE			
6.1	Ensure staff that are involved in procurement are capable and trained in the use of the e-tendering software.	Procurement Manager / Financial Services Manager	To seek to get officers to use CSW-JETS (Intend) for quotes up to £50k.	Seeking further training options
6.2	Promote use of e-tendering software for Contract Management	Procurement Manager	Review use of Contract Register/Management tool in CSW-JETS	Looking to develop Intend to include Contract Management and Key Performance Indicators and to roll it out so it can be used by Contract Officers.
6.3	Utilise Project Management tools to assist in Procurement Plans	Procurement Manager	Identify suitable software solutions Arrange training for Procurement team members	See above
7	PROSPERITY AGENDA			
7.1	Provide procurement support to prosperity agenda initiatives.		Support actions detailed in November 2014 Executive report.	See 1.4
7.2	Consider how the procurement function may directly contribute to the prosperity agenda.	Procurement Manager	Consider the feasibility of including contract clauses to support the prosperity agenda in future tender opportunities, e.g. local employment, National Living Wage, apprentices	See 1.4
7.3	Support local businesses	Procurement Manager/Economic Development and Regeneration Manager	Consider signing up to the Small Business Friendly Procurement Charter Committing to support small businesses.	See 1.4
8	CONTRACT MANAGEMENT			
8.1	Active appropriate contract management	Heads of Service	Ensure contract managers appropriately trained and understand requirements of their role.	See 9.1. Looking to develop Intend to include Contract Management and Key Performance Indicators and to roll it out so it can be used by Contract Officers.

Ref No.	Activity	Responsibility	Key Actions 2015 / 16	Procurement dept. Delivery Action Plans
8.2	Arrange contract management training	Procurement Manager/HR/Heads of Service	Generic training being arranged by Procurement HR as part of "workshop 2". Service specific training to be arranged by appropriated Head of Service.	See 9.1
9	AWARENESS / TRAINING			
9.1	Work with Members, Managers and Officers to increase education and awareness of regulations and the Council's Policies.	Procurement Manager / HR Training / Heads of Service	Identify who needs training and level of training required Break the training down into specific workshops: Awareness, Practical, CSW-JETS	<i>Advanced Procurement Training and Contract Management training to be arranged to take place in 2016.</i>
9.2	Disseminate the strategy to officers and members.	Procurement Manager	Reports to Executive, Finance & Audit Scrutiny Committee and SMT.	See 9.1 & 10.1
9.3	Arrange contract management training for all staff involved with contract management.	Procurement Manager / HR Training / Head of service /Service Area Managers	To be included in Workshop 2 "practical" training	See 9.1
9.4	Provide support and training for senior staff involved in procurement activities and members as required.	Procurement Manager /Procurement Officer / HR Training	Identify further training requirements and deliver on a 1:1 if required	See 9.1
10	INFORMATION & WEBSITE			
10.1	Maintain current procurement information on the Council website.	Procurement Manager / Procurement Officer	Ensure information held on both the website and the intranet is current and kept up to date. Review information frequently	<i>Currently producing a "Procurement Toolbox "which will include templates, guidance notes, Procurement Strategy and Procurement Code of Practice and other helpful material.</i> <i>Will update Council website and intranet with "Procurement Toolbox "and to make it enhance Procurement visibility. Ensure Procurement opportunities are clearly marketed and to inform as necessary any update in procurement practices.</i>
10.2	Utilise the Council Website and other public sector opportunity outlets such as Contracts Finder to inform the market of the opportunities available and how to access them.	Procurement Manager / Procurement Officer	Ensure Procurement opportunities are clearly marketed Refer where applicable suppliers who contact WDC to the CSW-JETS website to view opportunities and register if applicable.	SEE 10.1
10.3	Maintain standard pro-forma documentation on the Council intranet.	Procurement Manager / Procurement Officer	Review and amend documentation when applicable	SEE 10.1
10.4	Utilise intranet to inform on procedures and any changes in best practice guidance.	Procurement Manager	Use intranet to inform as necessary any update in procurement practices.	SEE 10.1

V3 PROCUREMENT ACTION PLAN 2016/2017 (22.02.2016)

Ref No.	Activity	Responsibility	Key Actions 2016 / 17
1	MANAGEMENT		
1.1	Produce bi-annual reports to Finance and Audit Scrutiny Committee on all procurement activity undertaken in the preceding period and any efficiencies identified.	Procurement Manager	Ensure the Contracts Register is up to date. Keep records of all Procurement activity required for the report.
1.2	Work with service areas / end users to develop clear / robust quotation / tender documentation ensuring their specification is in line with business needs of the Council, where appropriate.	Procurement Manager / Procurement Officer / Service Area Representatives	Conduct post project reviews to identify lessons learned which will be documented and used to update and refine future specifications, terms and conditions, service re-design etc.
1.3	Service plans and team operational plans to reflect planned tender activity.	Senior Managers	Service Managers to review as part of Service Plan process. Continue to monitor contract and non contracted spend, re-align spend to contracts and to identify future contract opportunities Develop future Procurement workload plans to take account of value for money / break clause reviews and to capture new business requirements for future years. Ensuring that Procurement is embedded into the project timetable at the earliest opportunity .
1.4	Encouraging local suppliers, SME's and the voluntary and the third sector to compete for Council contracts and ensure such opportunities are promoted locally.	Procurement Manager / Economic Development	Identify opportunities for SME's within the procurement process. Promote the use of the e-tendering portal to potential suppliers either through clear links on the external web site and on other communication tools, where applicable. Seek to promote procurement opportunities Via Federation of Small Business.
1.5	Ensure that there are no unintentional breaches in the EU procurement threshold.	Procurement Manager/Heads of Service	Contract Register Annual Review Evaluation of 2015 Spend Analysis. Contract management by end users.
1.6	Maintain contracts register	Heads of Service	On-going updating as contracts awarded. Quarterly review of contracts register by Heads of Service Annual review of register of include details of annual spend.
1.7	Quarterly publication of Contracts Register	Procurement Officer	Quarterly publication of register in line with the requirements of the Transparency Code


Ref No.	Activity	Responsibility	Key Actions 2016 / 17
1.8	Carry out procurement awareness training sessions to increase and maintain knowledge of procurement regulations and the Council's policies	Procurement Manager	<p>Keep up to date with any changes in procurement legislation.</p> <p>Carry out training in a timely manner to prevent the Council being in breach of any legislation changes.</p> <p>Work closely with the Legal team and other local Councils.</p> <p>Share 'best practice'.</p> <p>Provide basic and advanced procurement training sessions</p>
1.9	Lead on procurement activity in line with the Code of Procurement Practice.	Procurement Manager / Procurement Officer	<p>Involvement in all tender processes.</p> <p>To be monitored as part of contracts awarded.</p> <p>Utilise procurement plans to agree support requirements</p> <p>Investigate implementing lessons learned practice with key stakeholders, managers and Tenderers in order to identify any concerns, issues, queries or errors arising and use them to update practice and procedures and refine future specifications, terms and conditions and tender documentation and process.</p> <p>Investigate joining CIPFA benchmarking club so that practice, procedures and key costs can be compared with similar sized Organisations and to develop continuous performance improvements.</p>
2	POLICIES		
2.1	Review and update Code of Procurement Practice.	Procurement Manager	Incorporate changes to procurement legislation and the Council's business requirements.
2.2	Review and update Procurement Strategy document and update actions for the forthcoming year.	Procurement Manager	<p>Annually review the Procurement Strategy</p> <p>Incorporate changes to in procurement legislation and the Council's business requirements.</p> <p>Progress to be reviewed as part of bi-annual reporting to F&A.</p>
3	SUPPLIER MANAGEMENT		
3.1	Undertake an annual audit of spend and number of transactions.	Procurement Manager / Exchequer Manager	<p>Undertake an annual Spend Analysis of suppliers.</p> <p>Production of monthly Service Plan Measures ie transaction numbers, where applicable.</p> <p>Carry out Proclass category spend analysis in order to identify any cost saving opportunities which arise.</p> <p>Investigate taking the lead in developing corporate contracts for goods and service purchased across the whole Council in order to optimise economies of scale and cost saving opportunities.</p>

Ref No.	Activity	Responsibility	Key Actions 2016 / 17
3.2	Reduce the number of tenders for each supply area through collaboration of tender opportunities.	Procurement Manager / Procurement Officer	<p>We will undertake annual spend analysis and will monitor non-contracted spend, this will allow us to proactively look for any future procurement opportunities</p> <p>We will actively engage with key market providers/suppliers by undertaking market research, benchmarking and pre-tender scoping consultation exercises</p> <p>Work with other local councils to identify collaboration</p>
3.3	Ensure all suppliers are contracted formally (preferably on the Council's terms).	Procurement Manager / Service Area Managers	<p>Use of Contract Register and Spend Analysis.</p> <p>Legally compliant contracts will continue to be developed in conjunction with service user requirements</p> <p>Ensure all signed contract agreements are filed and recorded with Document Management Store.</p>
3.4	Work towards reducing the number of invoice transactions with current suppliers and new suppliers via the tender process.	<p>Procurement Manager / Procurement Officer / Service Area Managers /officers</p> <p>Exchequer Manager</p>	<p>As part of the contract renewal process look at ways of reducing the number of invoices by consolidation of invoices.</p> <p>Make the invoicing process part of the business requirements, where applicable.</p> <p>As part of the contract management process work with suppliers on ways of reducing invoices submitted, where applicable</p> <p>Work with the Exchequer team to see how we can ensure invoicing is in line with our system capabilities.</p> <p>Implement E invoicing, subject to results of feasibility study.</p>
3.5	Review of Procurement Card spending levels and activity.	Exchequer Manager/Procurement Manager	<p>Monthly publication of use of Procurement card on website.</p> <p>Annual Review of card usage</p> <p>Review Spend Analysis low value items.</p>
4	SUSTAINABILITY		
4.1	Identify key procurement activities and for each assess main sustainability issues to be addressed	Procurement Manager / Heads of services	<p>Within all Invitations to Tender for major contracts the Council will invite bidders to include specified community benefits (economic, social and environmental) which are relevant to the contract, benefits may include employment opportunities, training, funding of local projects, school career discussions</p> <p>We will continue to embed sustainable procurement into the procurement process.</p>

Ref No.	Activity	Responsibility	Key Actions 2016 / 17
4.2	Identify and document appropriate procurement criteria for key procurement activities	Procurement Manager / Heads of services	As part of the review of procurement documentation work with the Sustainability and Climate Change Officer to ensure key standard questions are incorporated in documents Social value and sustainability elements will be embedded in the tender process and documents to enable these components to be considered in the tender evaluation practice.
4.3	For ongoing contracts, set up process for reviewing sustainability requirements as existing contracts are due for renewal	Procurement Manager/Heads of Service	Part of contract management. To be included within Procurement training "workshops".
5	COLLABORATIVE PROCUREMENT		
5.1	As part of the pre tender process explore the use of buying consortia for the bulk purchase common goods and utilities, for example through ESPO, Fusion 21, Home & Communities Agency, PRO5 or Crown Commercial Services.	Procurement Manager /Property Services	We will actively engage with key market providers/suppliers by undertaking market research, benchmarking and pre-tender scoping consultation exercises
5.2	Investigate and where applicable enter into joint arrangements for procurement of goods and services with other Local Authorities.	Procurement Manager	Areas of common and repetitive spend will be addressed by exploring the use of effective collaborative opportunities with our neighbouring Council's,
5.3	Utilise framework agreements as a preference to negotiating local agreements for high value contracts of general goods and services (e.g. IT hardware, telecoms, energy).	Procurement Manager / Heads of services	Investigate promoting greater use of Procurement consortia framework arrangements by adopting them as the default option at the commencement of the sourcing options. Details to be reported as part of bi-annual reports to members.
5.4	Where possible ensure that the letting of contracts permits use by other Local Authorities.	Procurement Manager / Procurement Officer	Where applicable include a clause in the tender / Contract documentation that permits the use by other Local Authorities.
6	E-COMMERCE		
6.1	Ensure staff that are involved in procurement are capable and trained in the use of the e-tendering software.	Procurement Manager / Financial Services Manager	Continual monitoring of all low value 'Quick Quotes' will be implemented and we will investigate reasons for insufficient interest by suppliers. Promote "quick quote" practice and roll out, at local level, utilisation of "quick quotes" on the E Portal.
6.2	Promote use of e-tendering software for Contract Management	Procurement Manager	Review use of Contract Register/Management tool in CSW-JETS
6.3	Utilise Project Management tools to assist in Procurement Plans	Procurement Manager	Investigate utilising In Tend Contract Management Database to ensure effective management and monitoring of contracts over their whole lifecycle, Arrange training for Procurement team members
7	PROSPERITY AGENDA		
7.1	Provide procurement support to prosperity agenda initiatives.		Support actions detailed in November 2014 Executive report.

Ref No.	Activity	Responsibility	Key Actions 2016 / 17
7.2	Consider how the procurement function may directly contribute to the prosperity agenda.	Procurement Manager	Promote engagement with SMEs through regular forums, events and surveys e.g. meet the buyer, supplier development programme, supplier surveys, grow local project, spotlight on spend and by maintaining our open door policy to local suppliers
7.3	Support local businesses	Procurement Manager/Economic Development and Regeneration Manager	<p>Sign up to the Small Business Friendly Procurement Charter Committing to support small businesses.</p> <p>An SME Procurement Guidance Document will be developed and uploaded onto the internet</p> <p>We are investigating how WDC tenders / contracts can support the local economy and may include a clause such as: "Warwick District Council is committed to supporting the local economy in the Region and the wider LEP area, with the aim of maximising opportunities for businesses. Under this procurement the contractor will be required to actively participate in supporting the area's economy, in particular through supply chain management in accordance with Warwick District Council's Procurement Strategy and prompt payment clause. Complying with EU Law and Procurement, you are required to show how this project identifies and benefits supply chain businesses".</p>
8	CONTRACT MANAGEMENT		
8.1	Active appropriate contract management	Heads of Service	Work towards developing the In Tend Contract Management Database to ensure effective management and monitoring of contracts over their whole lifecycle,
8.2	Arrange contract management training	Procurement Manager/HR/Heads of Service	Ensure contract managers appropriately trained and understand requirements of their role.
9	AWARENESS / TRAINING		
9.1	Work with Members, Managers and Officers to increase education and awareness of regulations and the Council's Policies.	Procurement Manager / HR Training / Heads of Service	<p>Identify who needs training and level of training required</p> <p>Break the training down into specific workshops: Awareness, Practical, CSW-JETS</p>
9.2	Disseminate the strategy to officers and members.	Procurement Manager	Reports to Executive, Finance & Audit Scrutiny Committee and SMT.
9.3	Arrange contract management training for all staff involved with contract management.	Procurement Manager / HR Training / Head of service /Service Area Managers	Ensure procurement training is provided to relevant Staff to ensure appropriate skills, qualifications and suitable and up to date

Ref No.	Activity	Responsibility	Key Actions 2016 / 17
9.4	Provide support and training for senior staff involved in procurement activities and members as required.	Procurement Manager / Procurement Officer / HR Training	Identify further training requirements and deliver on a 1:1 if required Arrange to meet regularly with Senior Managers, and their Management team, to promote and develop good working relationships and ensure that that Procurement is included within the project planning timetable at the earliest opportunity
10	INFORMATION & WEBSITE		
10.1	Maintain current procurement information on the Council website.	Procurement Manager / Procurement Officer	Procurement news bulletins will be written and used to cascade information relating to procurement updates and changes in legislation to all service areas/users on a quarterly basis. Update Contract Register on internet quarterly. Ensure information held on both the website and the intranet is current and kept up to date. Define a procurement performance page on the external website including key facts and figures.
10.2	Utilise the Council Website and other public sector opportunity outlets such as Contracts Finder to inform the market of the opportunities available and how to access them.	Procurement Manager / Procurement Officer	Ensure Procurement opportunities are clearly marketed Refer where applicable suppliers who contact WDC to the CSW-JETS website to view opportunities and register if applicable.
10.3	Maintain standard pro-forma documentation on the Council intranet.	Procurement Manager / Procurement Officer	Procurement documents and processes will be reviewed and updated on a periodic basis to ensure they are still fit for purpose Produce Procurement " Toolbox " (which will include FAQ's ,templates , guides , policies , practices and procedures) to help and support Members, Managers and Officers and publish it on the Internet and intranet
10.4	Utilise intranet to inform on procedures and any changes in best practice guidance.	Procurement Manager	Regular review and update of Internet/Intranet procurement content to ensure it is still relevant Use intranet to inform as necessary any update in procurement practices.

 Finance & Audit Scrutiny Committee 8th March 2016		Agenda Item No. 7
Title:	Business Plan Performance Management Report	
For further information about this report please contact	Abigail Hay, Housing Strategy & Development Manager Email: abigail.hay@warwickdc.gov.uk Telephone: 01926 456044	
Service Area	Housing and Property Services	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number	<ul style="list-style-type: none"> • 10.06.2014 Finance and Audit Scrutiny Committee (minute number 11) • 03.09.2014 Executive (minute number 36) • 11.03.2015 Executive • 13.01.2015 Finance & Audit Scrutiny Committee (minute number 103) • 28.07.2015 Finance & Audit Scrutiny Committee (minute number 31) 	
Background Papers	<ul style="list-style-type: none"> • Housing Business Plan 	

Contrary to the policy framework:		No
Contrary to the budgetary framework:		No
Key Decision?		No
Included within the Forward Plan? (If yes include reference number)		No
Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report author's relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Deputy Chief Executive	26.02.2016	Bill Hunt
Head of Housing & Property Services	25.02.2016	Andy Thompson
Head of Finance	25.02.2016	Mike Snow
Portfolio Holder for Housing and Property Services	25.02.2016	Councillor Peter Phillips
Consultation Undertaken		
None		
Final Decision?		No
Suggested next steps (if not final decision please set out below)		

1. SUMMARY

- 1.1. The purpose of this report is to present to Finance and Audit Scrutiny Committee an update on the Housing Revenue Account (HRA) Business Plan Performance.

2. RECOMMENDATION

- 2.1. That Finance and Audit Scrutiny Committee notes the performance outturn of the Business Plan for quarters 1 to 3 of 2015/16.

3. REASONS FOR THE RECOMMENDATION

- 3.1. Since the original HRA Business Plan was approved by Members in March 2012, performance reports have been presented to Finance and Audit Scrutiny Committee on a bi-annual basis.
- 3.2. In addition the base business plan has been revised to reflect changes in performance and assumptions, with the latest business plan having been approved by the Executive in March 2015.
- 3.3. A further review of the HRA Business Plan has taken place in 2015/16 and is being presented to the Executive for approval in March 2016. This review has:
 - Updated the base business plan with all changes that have taken place
 - Revised assumptions for the forthcoming period based on current information and knowledge.
 - Taken account of any housing policy changes being proposed by the Government.

The HRA Business Plan Executive report should be considered alongside this report.

- 3.4. The HRA Business Plan Financial Framework for 2015/16 is attached at Appendix 1 which sets out the performance of the Business Plan for quarters 1 to 3 of 2015/16. All numbers reflect the projected outturn for the current year and the variation from the March 2015 BP.
- 3.5. As the Business Plan has now been revised and is being presented to the Executive for approval in March, it is no longer necessary to reflect the long term impact, as the business plan has now been revised to take account of the changes in performance and future assumptions. The projected variances over 5 years and 50 years are not presented in this report. For comparison purposes, the table in Appendix 1 shows the revised base assumption for each performance measure.
- 3.6. Compared to the HRA Business Plan projections approved in March 2015, there is a projected adverse variance of £718,000 for 2015/16, predominantly due to higher than anticipated expenditure for revenue repairs and the slippage of capital repairs and maintenance from 2014/15 into 2015/16.
- 3.7. The Business Plan Financial Framework Exception Report attached at Appendix 2 details reasons and mitigations for the significant variations.

- 3.8. The adverse variance is due to a combination of factors. Most significantly, the average cost of revenue repairs and maintenance being higher than anticipated causing an adverse variance of £1,115,000 in 2015/16. This is as a result of a number of factors including increased demand and quality and administration challenges with open book accounting. A number of steps are being taken to manage the future demand and expenditure including the reintroduction of pre inspections of repairs and discussions to move from open-book accounting to schedule of rates which is scheduled to take effect in April 2016.
- 3.9. The average cost of capital maintenance per home has created an adverse variance in 2015/16 of £402,000. This is as a result of a number of capital programmes being moved from 2014/15 into 2015/16.
- 3.10. Right to Buy Sales have been higher than anticipated in the base business plan. Whilst this has resulted in some additional receipts which must be used to fund replacement homes under Government policy, the formula has changed each year to increase the amount of sales needed to retain any income. To date the retained receipts have been used to contribute towards the Sayer Court development, however on current projections it is unlikely any receipts will be retained after the next few years. This has resulted in a favourable variance of £575,000 as 16 more dwellings are expected to be sold than anticipated in the March 2015 BP, however this will impact adversely over the 50 year life of the business plan because the rental income that the council loses over time far exceeds any small elements retained in the year from sale proceeds.
- 3.11. In October 2015, the Government published the Housing and Planning Bill. This Bill is expected to get Royal Assent in April 2016 and makes provision for a number of policies that will impact on the financial viability of the HRA BP. The Housing Revenue Account Business Plan report that will be presented to the Executive in March 2016 sets out what the potential impact of the Bill might be.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. This report is for information only. There are no alternative options to the recommendation to note its contents.

5. BUDGETARY FRAMEWORK

- 5.1. The effective monitoring and control of expenditure and income is a fundamental part of the proper financial management for the Council, enshrined within the Code of Financial Practice and monthly Budget Review process
- 5.2. The move to a 'Self Financing' Housing Revenue Account (HRA) on 1st April 2012 involved taking on £136.2m of debt, which is due to be repaid in stages after 41 to 50 years (2053 to 2062).
- 5.3. It is essential to project Business Plan expenditure over the full 50 year term of the Plan rather than just the short to medium term (up to five year) horizon more commonly considered. Small variations in the early years may, if not identified and addressed, have a significant impact on the ability to meet the ambition for the provision of new affordable homes in the district - and potentially the ability to repay the debt within 50 years.
- 5.4. Therefore the ongoing Budget Review and Performance Management processes continue - but with the addition of a longer term 'Business Plan Financial

Framework' report identifying potential longer term variations, and projecting the likely financial effect over 50 years. The financial summary is accompanied by exception reports explaining the causes of and mitigations for any significant variances.

- 5.5. The Business Plan Financial Framework is presented to:
- the Finance and Audit Committee six monthly
 - the Executive annually

6. POLICY FRAMEWORK

- 6.1. The recommendations of this report are in keeping with the approved HRA Business Plan.
- 6.2. Effective monitoring and control of expenditure and income is essential for the proper financial management for the Council.

Appendix 1 – Business Plan Financial Framework (BPFF)


Performance Measure	Mar '15 Business Plan Base Assumption 2015/16	31-Mar-16 2015/2016 Year End Outturn	Actual Variances 2015/16 Fav./(ADV.) £'000	2016/17 Projections
Average Net Management Costs Per Home	£1,069	£1,057	66	£1,060
Average Revenue Repairs & Maintenance costs per Home	£987	£1,188	(1,115)	£1,034
Average Capital Maintenance Costs Per Home	£883	£955	(402)	£859
Bad Debts as a % of Gross Rents	1.70%	1.17%	140	1.71%
Void Rent Loss as a % of Gross Rents	0.7%	0.7%	0	0.7%
Rent Set in line with Central Government Formula	£90.48	£90.41	(21)	£89.87
Void Homes Moved to Formula Rent during 2015/16	311	311	0	300
No of Garages Demolished for Redevelopment	6	0	2	0
No of Right to Buy Sales	28	44	575	37
Sale of High Value Void Properties	0	0	0	0
Construction & Acquisitions of New Homes				
Sayer Court	0	0	0	81
Repurchase of Ex Council Homes	0	0	0	0
Acquisition of SW Warwick	6	6	0	0
Shared Ownership	15	15	0	0
Total	21	21	0	81
Interest on HRA Balances	0.7%	0.7%	0	0.7%
Interest Rate on HRA Debt	3.5%	3.5%	0	3.5%
OVERALL EFFECT OF CHANGES ABOVE			(755)	

Appendix 2 - Business Plan Financial Framework Exception Report 2015/16 – Quarters 1 and 2

Performance Measure	Average Revenue Repairs and Maintenance Cost
Variance	2015/16: -£1,115,000 Adverse
Cause	<p>A number of factors have contributed to additional expenditure on repairs and maintenance, including:</p> <ul style="list-style-type: none"> • An increase in both the quantity and cost of repairs and maintenance work has required additional expenditure to ensure that tenant's homes are repaired and maintained to an acceptable standard. • Budgets were reduced to reflect projected savings as a result of Open Book contracts which did not materialise. In addition no reference was made to RPI and building cost inflation when setting budgets due to the expectation that savings and efficiencies would offset any inflationary costs. • Administration and Management issues were introduced as a result of the new contracts which resulted in a lack of control for the council in determining what jobs are carried out. In addition due to the complex reconciling process that is required with these contracts, it is extremely difficult to track expenditure and therefore manage budgets effectively.
Mitigation	<p>A number of measures have been introduced and planned in order for the service to be able to better manage and control expenditure on repairs and maintenance, including:</p> <ul style="list-style-type: none"> • Monthly budget reports are being presented to the Housing & Property Management Team from August 2015 setting out annual budget, budget to date, committed to date, actuals to date and remaining budgets across the primary budget areas. • Each team within Asset Management from July 2015 has a monthly budget report setting out budget, actuals and remaining budgets across its budget codes and work is being progressed so that known commitments can be factored in. • Monthly budget reviews with Portfolio Holder and Head of Service has been in place since the end of the second quarter of 2015/16 to introduce more accountable budget management supported by monthly production of financial data. • Techniques are being introduced in order to manage demand and customer expectations, including pre-inspections, cyclical visits, recharge policy, tenant's repairs handbook and a revised void standard. • A review of the contract arrangements is underway to consider how we can best control and administer them in the future with a view to moving towards a Schedule of Rates type contract to allow for closer control of expenditure.

Performance Measure	Average Capital Maintenance Cost Per Home
Variance	2015/16: -£402,000 Adverse
Cause	A number of capital programmes including Electrical Fitments, Housing Aids and Adaptations and Environmental Improvements were slipped from 2014/15 into 2015/16. Although this represents an increase in the average costs per property for 2015/16 this is a one off event which affects this year only.
Mitigation	Housing & property Services will be completing a 100% stock condition survey in order to assist us in understating our ongoing liability and support us in planning capital programmes more effectively and efficiently.

Performance Measure	Number of Right to Buy Sales
Variance	2015/16: £575,000 Favourable
Cause	There were 16 more properties sold under Right To Buy than assumed in the base business plan presented March 2015. The Council can retain some of the monies from the sale for homes where proceeds exceed the level assumed in the 2012 Self Financing Settlement, as long as they are used to fund new social or affordable homes within 3 years. This causes a favourable variance in the year the property is sold, however long term there is an adverse variance due to the loss of rental income from the property.
Mitigation	The assumption for the number of homes sold over the next year in the business plan being presented to Executive in March 2016 has been adjusted to reflect the additional sales in 2015/16 but have maintained the trend for 2017-18 onwards to take account of and even out the unusually high sales in 2015-16. The number of applications and sales will be continually monitored and the business plan will be updated accordingly.

 Finance and Audit Scrutiny Committee: 8 March 2016		Agenda Item No. 8
Title	The Monitoring of Section 106 Contributions	
For further information about this report please contact	Gary Fisher	
Wards of the District directly affected	All Wards	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	30 June 2015: Minute No. 19 2 September 2015: Minute No. 47	
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	Yes
Equality Impact Assessment Undertaken	N/A

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	24/2/16	Chris Elliott and Bill Hunt
Head of Service	24/2/16	Tracy Darke
CMT		
Section 151 Officer		
Monitoring Officer	24/2/16	Andrew Jones
Finance	24/2/16	Mike Snow
Portfolio Holder(s)	24/2/16	Councillor Cross
Consultation & Community Engagement		
N/A		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 This purpose of this report is to update Members on the progress that has been made in continuing to develop and review the section 106 monitoring database.

2. **Recommendation**

- 2.1 That the Committee note the contents of the report.

3. **Reasons for the Recommendation**

- 3.1 As Members are aware, in order to ensure that the requirements and financial contributions identified in legal agreements which have been completed in connection with specific grants of planning permission are undertaken, Officers have developed a detailed monitoring spread sheet.
- 3.2 That spread sheet comprises of an individual entry for each requirement or contribution in order that it's undertaking or payment can be tracked, and in the case of financial contributions to ensure that the funding is spent on the project for which it was required within an appropriate timescale.
- 3.3 Key benefits of the development of this spread sheet include:-
- Transparency in the identification and handling of the contributions and other undertakings that are required in relation to specific developments.
 - Clarity in the identification of trigger points to ensure that contributions and undertakings are received/implemented at the appropriate stage of the development.
 - The ability to ensure that contributions are spent for the purposes identified within the section 106 agreement within the required timescale and that there is no risk of contributions remaining unspent and therefore at risk of being clawed back.
 - To enable service areas and other partners to plan their budgets particularly linked to capital projects arising from or related to specific developments.
 - To enable town and parish Councils to identify the availability of potential funding.
 - To enable members of the public to track the implementation of section 106 agreements in relation to developments that are of interest to them.
- 3.4 The monitoring and updating of the spread sheet very much continues on a collaborative basis particularly involving officers within Development Management; other officers across the Council and colleagues at Warwickshire County Council.
- 3.5 In particular, since the last update provided to this committee in September 2015, further significant progress has been made in checking and following up previously outstanding requirements. Of the 131 agreements included on the overall spreadsheet, 26 are currently being actively monitored, a further 13 relate to developments that have not yet commenced and the remainder have been fully discharged.
- 3.6 The 26 agreements which are currently being actively monitored comprise 187 individual requirements, including 6 agreements which relate to planning permissions granted prior to 2011 and 11 relating to permissions granted from 2013 onwards.

- 3.7 Those outstanding individual requirements extend across a variety of circumstances for example where:-
- i. The development has commenced but the relevant trigger point has not been reached (78 entries);
 - ii. Discussions are on-going with the developer;
 - iii. Funds are being invoiced and are expected (16 entries);
 - iv. Works have been programmed or are in progress;
 - v. Contributions have been received but not yet spent (28 entries); and
 - vi. The contribution/requirement is overdue and being pursued (45 entries).
- 3.8 It is of note that contrary to the position prior to the preparation of the database, with a very small number of exceptions, the position with all of the requirements of active section 106 agreements is now known. A key element of that approach is the on-going monitoring by officers of the progress of all relevant development schemes including the commencement of the development and, crucially the position relative to the various trigger points at which different requirements included in the agreements kick in.
- 3.9 As a result, officers are now able to proactively liaise with developers at the relevant points in the development process including the invoicing of financial contributions as the relevant trigger points approach. In turn, this is having a positive effect on the timely provision of those contributions and in the circumstances where they are not forthcoming, enables the outstanding amounts to be speedily pursued.
- 3.10 One of the particular benefits of this proactive and collaborative approach to the monitoring of section 106 agreements is the creation of focus on specific areas of work which for example within the Parks and Open Spaces team has resulted in priority being given to the monitoring and collection of outstanding contributions. This in turn forms a significant element of the provision and development of open space across the District as part of Council's Green Space strategy.
- 3.11 It is also anticipated that as the clear message arising from this approach increasingly filters through to developers, it will encourage a proactive approach to the discharge of section 106 requirements on their part which in turn may increase the speed and effectiveness with which these matters are resolved.
- 3.12 Officers are also continuing to review and develop the database itself and the collaborative monitoring process and liaising with partners and councillors in doing so.
- 3.13 The current spread sheet which is displayed in 2 ways - the first being the full document and the second focussing on the current active S106 requirements - can be found on the District Council's website here: [Section 106 spreadsheet - Downloads - Warwick District Council](#)

4. **Policy Framework**

- 4.1 **Fit for the Future** – The delivery of section 106 contributions and requirements including, for example the infrastructure necessary to support major development schemes across the District will ensure that such infrastructure comes forward in the right manner and at the right time to support that development and will therefore contribute to the vision of making

Warwick District a great place to live, work and visit as set out in the Sustainable Community Strategy and be consistent with the Fit for the Future programme.

5. Budgetary Framework


- 5.1 This monitoring work is being undertaken within existing budgetary frameworks and is also supported by financial contributions towards the cost of monitoring specific types of development which are identified within appropriate section 106 agreements.

6. Risks

- 6.1 In view of the nature and scale of the development proposals that are to be delivered across the District within the emerging Local Plan period, it is the absence of a robust and detailed monitoring regime, such as that which is being developed, that has been identified as the key risk.
- 6.2 Without such a regime, the risk of essential requirements and contributions not being provided, or of contributions that have been received remaining unspent and liable for repayment is increased.

7. Alternative Option(s) considered

- 7.1 For the reasons identified in paragraph 6.1 and 6.2 above, the option of not proceeding with an appropriate monitoring regime has been discounted.

 Finance & Audit Scrutiny Committee 8 March 2016		Agenda Item No. 9
Title	Comments from the Executive	
For further information about this report please contact	Amy Carnall Committee Services Officer 01926 456114 committee@warwickdc.gov.uk	
Service Area	Civic & Committee Services	
Wards of the District directly affected	n/a	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number	n/a	
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Deputy Chief Executive		
Chief Executive		
CMT		
Section 151 Officer		
Legal		
Finance		
Portfolio Holders		

Consultation Undertaken	
n/a	
Final Decision?	Yes
Suggested next steps (if not final decision please set out below)	

1. Summary

- 1.1 This report summarises the Executive's response to comments given by the Finance & Audit Scrutiny Committee on reports submitted to the Executive on 10 February 2015.

2. Recommendation

- 2.1 That the responses made by the Executive be noted, as set out in Appendix 1 to the report.

3. Reasons for the Recommendation

- 3.1 This report is produced to create a dialogue between the Executive and the Finance & Audit Scrutiny Committee, ensuring that the Scrutiny Committee is formally made aware of the Executive's responses.

4. Alternative Options Considered

- 4.1 The Committee receives and notes the minutes of the Executive instead.

5. Budgetary Framework

- 5.1 There is no impact on the budgetary framework. This is for the Committee's information only.

6. Policy Framework

- 6.1 The work carried out by the Committee helps the Council to improve in line with its priority to manage services openly, efficiently and effectively.

7. Background

- 7.1 As part of the scrutiny process, the Committee no longer considers the whole of the Executive agenda.
- 7.2 Councillors are emailed at the time of the publication of the Executive and Scrutiny Committee agendas, asking them to contact Committee Services by 9.00 am on the day of the Scrutiny Committee, to advise which Executive items they wish the Scrutiny Committee to pass comment on and the reasons why.
- 7.3 As a result, at its meeting on 9 February 2016, the Finance & Audit Scrutiny Committee considered the items detailed in the appendices. The responses which the Executive gave are also shown.

Responses from the meeting of the Executive held on 10 February 2016 to the Finance and Audit Scrutiny Committee's comments

Item no	3	Title	Waste Container Charging
Scrutiny Comment		<p>The Finance and Audit Scrutiny Committee supported the recommendations in the report although there were concerns that the introduction of charging may only recover 50% of the costs incurred by the Council. In addition, it was felt that further work was needed to educate the operatives on acceptable service delivery but it was noted that the contractor could also be charged for any damage to the containers.</p>	
Executive Response		<p>In response to the comments from the Scrutiny Committees it was explained that the charging scheme would only recover around 50% of the costs to the Council and therefore a budget was required to fund the remaining 50%.</p> <p>The Portfolio Holder agreed that further work needed to be done to train operatives to ensure boxes were not damaged and returned correctly to households. That said this work was ongoing and improvements had already been made due to the robust working relationship that the Council had with Sita. He welcomed the report back to Overview & Scrutiny Committee in 12 months and informed the Executive that he would be providing them with regular updates.</p>	


Item no	4	Title	Budget 2016/17 and Council Tax – General Fund Revenue and Capital
Scrutiny Comment		<p>The Finance & Audit Scrutiny Committee supported the recommendations in the report. In addition, having received the late information contained in the addendum Members agreed that the following recommendation be made:</p> <p>"that Warwick District Council should take advantage of the increased ability to raise Council Tax for 2016/17 by £5, to place the Council's finance in a stronger position."</p>	
Executive Response		<p>Councillor Whiting responded agreeing with Councillor Barrott's concerns about the Chairman's budget and recognised these should be addressed as outlined in the report.</p> <p>He therefore proposed the recommendations as laid out subject to amending recommendation 2.7, 2.9 and 2.10 to incorporate a £5 increase in Council tax rather than a 1.99% increase, with the extra council tax income being allocated to the Service transformation Reserve in 2016/17.</p>	

Item no	5	Title	Housing Revenue Account (HRA) Budget 2016/17 and Housing Rents
Scrutiny Comment	The Finance & Audit Scrutiny Committee supported the recommendations although concerns were raised about the maintenance of safety measures being delayed by the Repairs Service. Whilst Members noted that this work was being brought up to date as quickly as possible, it was felt that the Executive should be aware of the high level of risk this posed to the Council.		
Executive Response	Councillor Phillips responded to the comments from the Finance & Audit Scrutiny Committee explaining that work was nearly completed on the corporate buildings and under way for all blocks of flats. Initial conclusions were beginning to arrive and a detailed report would be brought back in due course.		

Item no	6	Title	Heating, Lighting and Water Charges 2016/17 – Council Tenants
Scrutiny Comment	The Finance & Audit Scrutiny Committee supported the recommendations in the report.		
Executive Response	The Executive made no response.		

Item no	7	Title	Treasury Management Strategy Plan for 2016/17
Scrutiny Comment	The Finance & Audit Scrutiny Committee supported the recommendations in the report although Members were concerned that in order to increase return, the level of risk also had to increase.		
Executive Response	Councillor Whiting explained that the increased level of risk was a concern but at the same time work was being taken to ensure this was mitigated. That said this small increased risk should provide greater rewards for the Council and help to provide a more robust budget for future years.		

Item no	9	Title	Multi-Storey Car Parks Condition Survey
Scrutiny Comment	The Finance & Audit Scrutiny Committee supported the recommendations in the report.		
Executive Response	Councillor Shilton provided assurance that a Working Party would be established to look at the future of Council car parks as a separate piece of work to the Task & Finish Group looking at Car Parking Charges.		

 Finance & Audit Scrutiny Committee – 8 March 2016		Agenda Item No. <h1>10</h1>
Title	Review of the Work Programme & Forward Plan	
For further information about this report please contact	Amy Carnall Committee Services Officer 01926 456114 committee@warwickdc.gov.uk	
Wards of the District directly affected	n/a	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	n/a	
Background Papers	n/a	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	n/a
Equality & Sustainability Impact Assessment Undertaken	n/a

Officer/Councillor Approval		
Officer Approval	Date	Name
Deputy Chief Executive		
Head of Service		
CMT		
Section 151 Officer		
Monitoring Officer		
Finance		
Portfolio Holder(s)		
Consultation & Community Engagement		
n/a		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. Summary

- 1.1 This report informs the Committee of its work programme for 2016 (Appendix 1) and the current Forward Plan (Appendix 2).

2. Recommendation

- 2.1 Members consider the work programme and agree any changes as appropriate.
- 2.2 The Committee to; identify any Executive items on the Forward Plan which it wishes to have an input before the Executive makes its decision; and to nominate a Member to investigate that future decision and report back to the Committee.

3. Reasons for the Recommendation

- 3.1 The work programme should be updated at each meeting to accurately reflect the workload of the Committee.
- 3.2 If the Committee has an interest in a future decision to be made by the Executive it is within the Committee's remit to feed into the process.
- 3.3 The Forward Plan is the Executive's future work programme. If any non-Executive Member or Members highlight items which are to be taken by the Executive which they would like to be involved in, those Members can then provide useful background to the Committee when the report is submitted to the Executive and when the Committee passes comment on it.

4. Policy Framework

- 4.1 The work carried out by the Committee helps the Council to improve in line with its priority to manage services openly, efficiently and effectively.

5. Budgetary Framework

- 5.1 All work for the Committee has to be carried out within existing resources. Therefore, there is a limit to the time available that officers will have to assist Members, so the Committee may wish to prioritise areas of investigation.

6. Risks

- 6.1 This Committee contributes to the effective minimisation of risk by fulfilling its duties in a timely manner and scrutinising the work undertaken by the Executive.

7. Alternative Option(s) Considered

- 7.1 The only alternative option is not to undertake this aspect of the overview and scrutiny function.

8. Background

- 8.1 The five main roles of overview and scrutiny in local government are: holding to account; performance management; policy review; policy development; and external scrutiny.

- 8.2 The pre-decision scrutiny of Executive decisions falls within the role of 'holding to account'. To feed into the pre-decision scrutiny of Executive decisions, the Committee needs to examine the Council's Forward Plan and identify items which it would like to have an impact upon.
- 8.3 The Council's Forward Plan is published on a monthly basis and sets out the key decisions to be taken by the Council in the next twelve months. The Council only has a statutory duty to publish key decisions to be taken in the next four months. However, the Forward Plan was expanded to a twelve month period to give a clearer picture of how and when the Council will be making important decisions.
- 8.4 A key decision is a decision which has a significant impact or effect on two or more wards and/or a budgetary effect of £50,000 or more.
- 8.5 The Forward Plan also identifies non-key decisions to be made by the Council in the next twelve months, and the Committee, if it wishes, may also pre-scrutinise these decisions.
- 8.6 The Committee should be mindful that any work it wishes to undertake would need to be undertaken without the need to change the timescales as set out within the Forward Plan. The Committee may wish to give greater consideration to the reports in Section 2 of Appendix 1, to maximise the time available for Members to input into the process.

Finance and Audit Scrutiny Committee

WORK PROGRAMME 2016

8 MARCH 2016

AUDIT ITEMS

1	Internal Audit Quarterly Report Quarter 3 2015/16	Report	Richard Barr	Quarterly report
2	Annual Governance Statement Quarter 3 2015/16 Action Plan	Report	Richard Barr	Quarterly Report

Scrutiny items

1	Housing Business Plan Performance Management	Report	Abigail Hay	Biannual report
2	Section 106 Agreements	Report	Tracy Darke	Agreed 1 December 2015 - continuous monitoring
3	Procurement Biannual Report	Report	John Roberts	Biannual report

5 APRIL 2016

AUDIT ITEMS

1	Internal Audit Strategy & Plan 2016/17 – 2018/19	Report	Richard Barr	Annual report
2	Significant Business Risk Register	Report	Richard Barr	
3	Finance Risk Register	Report	Mike Snow	
4	2015/16 Audit Opinion Plan	Report	Mike Snow / EA	Annual report

SCRUTINY ITEMS

1	End of Term Report	Report	Amy Carnall / Chair	Annual report
3	Scrutiny of Infrastructure Delivery Plan	Report	Tracy Darke	Update report from 29/09/15 – agreed by F&A, minute number 67.

Date	Contracts Registers Reviews 2016/17	Risk Registers Reviews 2016/17
1 June 2016	Health & Community Protection	
28 June 2016		
26 July 2016		Neighbourhood Services
31 August 2016	Housing & Property Services	
27 September 2016		Chief Executives
1 November 2016		
29 November 2016	Cultural Services	
04 January 2017		Housing & Property Services
07 February 2017		
07 March 2017	Development Services	
04 April 2017		Cultural Services
May 2017		
June 2017	Neighbourhood Services	
July 2017		Development Services
August 2017		
September 2017	Finance	
October 2017		Health & Community Protection



FORWARD PLAN

Forward Plan March 2016 to June 2016

COUNCILLOR ANDREW MOBBS
LEADER OF THE EXECUTIVE

The Forward Plan is a list of all the Key Decisions which will be taken by the Executive or its Committees in the next four months. The Warwick District Council definition of a key decision is: - a decision which has a significant impact or effect on two or more wards and/or a budgetary effect of £50,000 or more.

Whilst the majority of the Executive's business at the meetings listed in this Forward Plan will be open to the public and media organisations to attend, there will inevitably be some business to be considered that contains, for example, confidential, commercially sensitive or personal information.

This is formal notice under the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012 that part of the Executive meeting listed in this Forward Plan will be held in private. This is because the agenda and reports for the meeting will contain exempt information under Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it. Those items which are proposed to be considered in private are marked as such along with the reason for the exclusion in the list below.

If you would like to make representations or comments on any of the topics listed below, including the confidentiality of any document, you can write to the contact officer, as shown below, at Riverside House, Milverton Hill, Royal Leamington Spa, Warwickshire, CV32 5HZ. Alternatively you can phone the contact officer on (01926) 353362. If your comments are to be referred to in the report to the Executive or Committee they will need to be with the officer 7 working days before the publication of the agenda. You can, however, make comments or representations up to the date of the meeting, which will be reported orally at the meeting. The Forward Plan will be updated monthly and you should check to see the progress of the report you are interested in.

(782)

Section 1 – The Forward Plan December 2015 to March 2016

Topic and Reference	Purpose of report	If requested by Executive –date, decision & minute no.	Date of Executive, Committee or Council meeting	Publication Date of Agendas	Contact Officer & Portfolio Holder	External Consultees/ Consultation Method/ Background Papers
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9 March 2016

The Rental Exchange (Ref 747)	To seek approval for the Council to pilot 'The Rental Exchange' in order to improve tenants financial capability		Executive 9/3/2016	1/3/2016	John Gallagher Cllr Philips	
HRA Business Plan Review (Ref 736)	To set out the outcome of the annual review of the HRA Business Plan		Executive 13/1/16 Reason 1 Executive 9/3/2016	1/3/2016	Andy Thompson Cllr Phillips	
Rural Urban Community Initiative Scheme applications (ref 759)	Consider applications for Rural and Urban Initiative Grants from Radford Semele PC (Third party payment to WREN to unlock a grant for refurbishing / updating a playground)		Executive 9/3/2016	1/3/2016	Jon Dawson Cllr Whiting	
Review of the Housing Allocations Policy (Ref 767)	The purpose of the report is to update members on issues that have arisen in the implementation phase of the new housing allocations policy approved by Council in August 2015.		Executive 9/3/2016	1/3/2016	Ken Bruno Cllr Phillips	

Corporate Property Repairs and PPM Programme 2016-17 (Ref 768)	To approve the Corporate Property Repairs and PPM Programme 2016-17		Executive 9/3/2016	1/3/2016	Matt Jones Cllr Phillips	
69 Willes Road (Ref 769)	Tenancy Payments – to request approval to make adjustments to the rent account for 69 Willes Road . It is envisaged that this report will be confidential because of information relating to the financial or business affairs of any particular person (including the authority holding the information)		Executive 9/3/2016	1/3/2016	Andy Thompson Cllr Peter Phillips	
Rural Urban Community Initiative Scheme Review of Criteria (ref 773)	Annual review of the scheme to provide clarity in some specific areas.		Executive 9/3/2016	1/3/2016	Jon Dawson Cllr Whiting	
Pump Room Gardens Restoration Update (Ref 781)	To seek Executive approval to accept the grant and its standard terms.		Executive 9/3/2016	1/3/2016	Dave Anderson Cllr Shilton	

6 April 2016						
New Rent Arrears Policy (Ref 748)	To seek approval of new rent arrears policy for WDC Council Tenants		Executive 6/4/2016	29.3.2016	Jacky Oughton Cllr Phillips	
Whitnash Community Hub (Ref 741)	To receive information following the feasibility study of a Whitnash Community Hub		Executive 13/1/16 R5 10/2/2016 R4 Executive 6/4/2016	29.3.2016	Andrew Jones Cllr Mrs Grainger	
Rural Urban Community Initiative Scheme applications (ref 760)	Consider applications for Rural and Urban Initiative Grants		Executive 6/4/2016	29.3.2016	Jon Dawson Cllr Whiting	
Customer Contact Review (Ref 752)	To consider a report regarding the future of this role. This report will be private and confidential because it contains information about an individual.		Executive 13/1/16 R4 9/3/2016	1/3/2016	Tracy Dolphin Cllr Mobbs	
Strategic Opportunity Proposal (Ref 712)	To update Members on the current position. It is anticipated that this report will be, in part, Confidential by virtue of the information relating to the financial or business affairs of any particular person (including the authority holding that information)		Executive 03/09/15 30/09/15 02/12/2015		Chris Elliott Cllrs Mobbs, Coker, Phillips, Whiting, Cross & Gallagher	The Local Plan proposals have been subject to a number of public consultations and planning applications involved have also been subject to public consultation. The proposal has been the subject of

						discussion privately and confidentially with a number of agencies but especially with the County Council. Submission version of Local Plan; Planning Application (W/14/1076); Planning Application (W/14/0967); Report
Council Housing Asset Management Policy (Ref 774)	To request approval of the 'Council Housing Asset Management Policy – Disposal of Property'		Executive 6/4/2016	29.3.2016	Andy Thompson Cllr Phillips	
HQ Relocation (Ref 742)	Part A and B reports regarding the future location of the Council's HQ.		Executive 13/1/16 Reason 3 9/3/2016 Reason 3 & 5 6/4/2016	29.3.2016	Duncan Elliott Cllr Mobbs	Executive papers – 30/09/2015

May 2016 – No Meeting of the Executive

2 June 2016

Guy Road Housing Development (Ref 750)	A project to develop new homes in Kenilworth		Executive 9/3/2016 2/6/2016 Reason 2		Matt Jones Cllr Phillips	
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Council Development Company (Ref 727)	To consider a report on establishing a Council Development Company		Executive 9/3/2016 2/6/2016 Reason 2		Andy Thompson Cllr Phillips	
Asset Management Strategy (Ref 641)	To propose an Asset Management Strategy for all the Council's buildings and land holdings. (Moved Reason 6 Seeking further clarification on implications of report)		5 November 2014 Executive (03/09/15) 2/6/2016		Bill Hunt Cllrs Coker & Mobbs	

29 June 2016

Final Accounts (Ref 762)	To report on the Council's outturn position for both revenue and capital		29/9/2016		Jenny Clayton Cllr Whiting	
Rural Urban Community Initiative Scheme applications (Ref 761)	Consider applications for Rural and Urban Initiative Grants		29/6/2016		Jon Dawson Cllr Whiting	

Section 2 Key decisions which are anticipated to be considered by the Council between July 2016 and November 2016

Topic and Reference	Purpose of report	If requested by Executive –date, decision & minute no.	Date of Executive, Committee or Council meeting	Publication Date of Agendas	Contact Officer & Portfolio Holder	External Consultees/ Consultation Method/ Background Papers
27 July 2016						
Rural Urban Community Initiative Scheme applications (Ref 763)	Consider applications for Rural and Urban Initiative Grants				Jon Dawson Cllr Whiting	
Budget Review Quarter 1 to include financial projections (Ref 764)	To Report on the latest financial prospects for the current and future 5 years				Andy Crump Cllr Whiting	
Investment in Leisure Centres (745)	To consider final plans, costs and associated studies and planning applications relating to the proposed investment at St Nicholas Park and Newbold Comyn Leisure Centres	Nov 4 th 2015			Rose Winship Cllr Mrs Gallagher	The report is the culmination of project to expand these 2 leisure centres. Consultation with users through the Planning process and dialogue with clubs and national governing bodies of sport. Various reports from June 2014 onwards.

1 & 28 September 2016						
Annual Benefit Fraud Report (Ref 765)			1 Sept		Andrea Wyatt Cllr Whiting	
Rural Urban Community Initiative Scheme applications (Ref 766)	Consider applications for Rural and Urban Initiative Grants		28 Sept		Jon Dawson Cllr Whiting	
Fees and Charges (Ref 770)	To propose the level of fees and Charges to be levied from 2nd January 2016		28 Sept		Andy Crump Cllr Whiting	

2 & 30 November 2016						
Appointment of leisure management operator (It is anticipated that part of this report may be confidential) (Ref 771)			Executive 30 Nov 2016		Rose Winship Cllr Gallagher	Executive Nov 2015 Council and Executive 13/1/2016 Full OJEU procurement
Rural Urban Community Initiative Scheme applications (Ref 778)	Consider applications for Rural and Urban Initiative Grants		Executive 30 Nov 2016		Jon Dawson Cllr Whiting	
Rural Urban Community Initiative Scheme applications (Ref 779)	Consider applications for Rural and Urban Initiative Grants		Executive 2 Nov 2016		Jon Dawson Cllr Whiting	

HRA Budgets 2016/17 REF 780	To Consider the following year revenue budgets for the HRA.		Executive 30 Nov 2016		Mike Snow Peter Phillips	
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TO BE CONFIRMED						
Topic and Reference	Purpose of report	History of Committee Dates & Reason code for deferment	Contact Officer & Portfolio Holder	Expansion on Reasons for Deferment	External Consultees/ Consultation Method/ Background Papers	Request for attendance by Committee
Private sector housing grants policy (Ref 658)	To propose a revised policy for the allocation of grant funding for private residents		Abigail Hay Cllr Phillips	This will come forward in due course once the Future of Housing Adaptations Service has been determined		TBC
Housing Revenue Account Business Plan (Ref 775)	To propose revisions to the Housing Revenue Account Business Plan		Andy Thompson Cllr Phillips			
Aids and Adaptations Services (Ref 776)	To propose a new approach to providing aids and adaptations services for the residents of Warwick District		Abigail Hay Cllr Phillips			
Housing Related Support Services (Ref 777)	To propose new Housing Related Support services for tenants of the Council January		Jacky Oughton Cllr Phillips			

Petition – Regarding St Nicholas Park	To consider a petition referred to executive by Council	Council 27 January 2016	Rob Hoof Dave Shilton			
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Section 3 – Items which are anticipated to be considered by the Executive but are NOT key decisions

Topic and Reference	Purpose of report	If requested by Executive – date, decision & minute no.	Date of Executive, Committee or Council meeting	Publication Date of Agendas	Contact Officer & Portfolio Holder	External Consultees/ Consultation Method/ Background Papers
Review of Significant Business Risk Register	To inform Members of the Significant Risks to the Council		Executive 6/4/2016		Richard Barr Cllr Whiting	
Review of Significant Business Risk Register	To inform Members of the Significant Risks to the Council		Executive 29/6/2016		Richard Barr Cllr Whiting	
Review of Significant Business Risk Register	To inform Members of the Significant Risks to the Council		Executive 28/9/2016		Richard Barr Cllr Whiting	

Delayed reports:

If a report is late, officers will establish the reason(s) for the delay from the list below and these will be included within the plan above:

1. Portfolio Holder has deferred the consideration of the report
2. Waiting for further information from a Government Agency
3. Waiting for further information from another body
4. New information received requires revision to report
5. Seeking further clarification on implications of report.

Details of all the Council's committees, Councillors and agenda papers are available via our website www.warwickdc.gov.uk/committees

**The forward plan is also available, on request, in large print on request, by telephoning
(01926) 456114**