

Operational Plan 2015/16

Audit	Audit Classification	IA Risk Rating	Plan Days	Actual Days	Proposed quarter / Status
Corporate					
Delivery of the Business Plans	Advisory / VFM	R	40	9	COMPLETE
Risk Management	Risk Based	A	10	12	FINAL
Clwyd Theatre Cymru	Follow Up	A	10	2	DEFERRED
North Wales Residual Waste Partnership	Risk Based	A	10		COMPLETE
Corporate Governance	Risk Based	G	5		COMPLETE
Total Planned Days – Corporate			75	23	
Community and Enterprise					
NEW Homes	Risk Based	R	10	12	FINAL
Homelessness	Risk Based	R	15	11	WIP
Housing Benefit	System Based	R	15	16	FINAL
Council Tax and NNDR	System Based	R	20	29	FINAL
Corporate Debt Management	Risk Based	R	15	16	FINAL
Flying Start	Request			4	
Total Planned Days – Community & Enterprise			75	88	
Education and Youth					
Control and Risk Self-Assessment	Risk Based	R	15	21	COMPLETE
Risk based thematic reviews across all schools including central controls	Risk Based	R	45	64	FINAL
21 st Century Schools – project management	Risk Based	R	15	4	WIP
Grants – Various WG requirement	System Based	R	15	14	COMPLETE
Free school meals - Funding arrangements	System Based	R	15	25	FINAL

School closures	Advisory	G	5		COMPLETE
Total Planned Days – Education & Youth			110	128	
Governance					
Chair of the Council's Charity / Trust Fund	Risk Based		10	10	FINAL
Network Security	Risk Based	R	* See note		DEFERRED
FOI Requests	Risk Based	R	15	22	FINAL
Data Protection	Advisory	R	10	22	FINAL
Migration to Microsoft	Risk Based	R	15	9	WIP
Disposal of ICT Equipment	Risk Based	A	10	12	DRAFT
Payment Card Industry Data Security Standard	Risk Based	A	20	6	WIP
Cloud computing	Risk Based	A	* See note		
Anti-virus procedures	Risk Based	A	15	23	FINAL
E Sourcing (Proactis)	System Based	A	15		DEFERRED
Select List Including Financial Vetting of Suppliers	System Based	A	20		DEFERRED
Contract Procedural Rules	Risk Based	A	20	33	FINAL
Electoral Register	Advisory	A	5		DELETED
Total Planned Days - Governance			155	137	
Organisational Change 1					
Alternative Delivery Models	VFM	R	20	23	COMPLETE
Leisure Services	System Based	G	20	9	WIP
Japanese Youth Exchange	Regulatory	G	5	3	FINAL
Total Planned Days – Organisational Change 1			45	35	

Organisational Change 2					
Electronic stock taking (catering bus plan)	Advisory	A	5	4	DRAFT
21 st Century Schools – contract management	Systems Based	A	15	4	WIP
CCTV	Risk Based	A	15	19	FINAL
Total Planned Days – Organisational Change 2			35	27	
People and Resources					
Payroll Follow up	Risk Based	R		12	FINAL
Payroll	System Based	R	20	16	FINAL
E-Teach (Supply Staff) – Payroll and Recruitment	VFM	R	20	31	FINAL
Use of Relief, Agency and Self Employed Workers	Risk Based	R	20	20	DRAFT
Agile Working	Risk Base	A	20		DELETED
Human Concepts Software	Advisory	G	5	1	COMPLETE
Main Accounting – Accounts Receivable (AR)	System Based	R	10	18	FINAL
Main Accounting – Accounts Payable (AP) / P2P	System Based	R	20	24	FINAL
Main Accounting – General Ledger (GL)	System Based	R	10	12	FINAL
Treasury Management	System Based	R	15	4	WIP
Capital Programme	Follow Up	R	5	1	DEFERRED
Insurance	Risk Based	R	10	15	DRAFT
Medium Term Financial Strategy	Risk Based	A	10	2	WIP
Collaborative Planning	Risk Based	G	5	18	COMPLETE
Pensions Administration and Contributions	System Based	G	15	16	FINAL
Pension Fund Governance	System Based	G	10	1	COMPLETE
Total Planned Days – People & Resources			195	191	

Planning and Environment					
Section 106 Agreements	Risk Based	R	15	34	FINAL
Pest Control	Risk Based	A	5	2	WIP
Pollution Control	Risk Based	G	15		DEFERRED
Total Planned Days – Planning & Environment			35	36	
Social Services					
Client Finances / Receivership, including Community Living	Risk Based	R	20	3	WIP
Residential Care Homes	Advisory	R	20	15	FINAL
Direct Payments	System Based	R	20	23	FINAL
PARIS – Finance Module	Advisory	A	5		DEFERRED
Housing Allocations	Request			9	
Total Planned Days – Social Services			65	50	
Streetscene and Transportation					
Concessionary Travel	Risk Based	R	20	12	FINAL
School Transport – Contract Management	Risk Based	R	10	1	DEFERRED
Waste Contract Management	Follow up	R	15	15	DRAFT
Waste Management	Follow Up	R	15	14	DRAFT
Integrated Transport	Advisory	R	5	2	COMPLETE
Fleet Management	Advisory	A	5		COMPLETE
Winter Maintenance	Request			9	
Total Planned Days – Streetscene & Transportation			70	53	

Investigations, Provisions and Developments		
Provision for investigations and pro-active fraud	200	240
Provision for ad-hoc requests from management	80	
Follow up reviews	30	
Audit development	20	85
IDEA	20	
Advisory work	40	33
Total	390	385
Overall Plan Total	1250	1131

* Note: It may be necessary to bring in external resource to complete this technical ICT audit

Definitions

Risk based audits

Work based on strategic and operational risks identified by the organisation in the Improvement Plan and Service Plans. Risks are linked to the organisation's objectives and represent the possibility that the objectives will not be achieved.

Systems based audits

Work in which every aspect and stage of the audited subject is considered, within the agreed scope of the audit. It includes review of both the design and operation of controls.

Advisory

Participation in various projects and developments in order to ensure that controls are in place.

VFM (Value For Money)

Audits examining the efficiency, effectiveness and economy of the area under review.

Follow Up

Audits to follow up recommendations from previous reviews.

Additions

Audits added to the plan at the request of management, time used from the provision for requests.

CHANGES TO THE AUDIT PLAN – SINCE THE LAST MEETING

Audits deleted /deferred from the plan

Governance

Cloud Computing

People and Resources

Agile Working

Planning and Environment

Pollution Control

CHANGES REPORTED TO PREVIOUS MEETINGS

Audits deleted /deferred from the plan

Corporate

Clwyd Theatr Cymru - new Business Plan in place, new Director, going through re-structure.

Governance

Electoral Register – data matching against other databases no longer required.

Network Security – unable to obtain an external source to complete this audit.

E Sourcing (Proactis) – system still being rolled out

Select List – will be covered by Proactis.

People and Resources

Capital Programme Follow Up – Strategy just being implemented.

Social Services

PARIS Finance Module (Advisory) –

Streetscene and Transportation

School Transport Contract Management – waiting for contract renewal exercise.

Audits added to the audit plan

Community and Enterprise

Flying Start – request from new management.

People and Resources

Payroll Follow Up

Social Services

Housing Allocations – Controls around the new process

Streetscene and Transportation

Winter Maintenance

Audit	Audit Classification	IA Risk Rating	Plan Days	Actual Days	Proposed quarter / Status
Corporate					
Consultants	Risk Based	R	15	7	DRAFT
Safeguarding (incl schools)	Risk Based	A	20		2
Clwyd Theatre Cymru	Risk Based	A	10		2
Performance Indicators	Risk Based	G	10		3
Risk Management	Risk Based	G	10		3
Corporate Governance	Risk Based	G	10		4
Compliance	Advisory	G	20	1	WIP
Total Planned Days – Corporate			95	8	
Community and Enterprise					
Gas Servicing	Risk Based	R	10		2
Disabled Facilities Grant	System Based	R	20		3
Mobile Working	Risk Based	A	15		2
Tell Us Once	Risk Based	A	10	5	WIP
Flintshire Connects	VFM	A	15	7	WIP
Council Tax and NNDR	System Based	A	15		3
Total Planned Days – Community & Enterprise			85	12	
Education and Youth					
Control and Risk Self-Assessment	Risk Based	R	10	2	WIP
Budgetary Control	System Based	R	20		2
Education Improvement Grant	Risk Based	R	20		2
Risk based thematic reviews across all schools including central controls	Risk Based	A	40		3
Youth Justice	System Based	A	15	1	WIP

School Formula	Funding	Advisory	A	15		4
Total Planned Days – Education & Youth				120	3	
Governance						
Network Security		Risk Based	R	*	See note	3
Procurement		Risk Based	A	30		4
Electronic Document Management		Risk Based	A	10		4
IT Security Policies		Systems Based	A	15		4
Digitisation		VFM	A	20		3
Cloud computing		Risk Based	G	5		3
Data Protection		Advisory	G	15		3
Total Planned Days - Governance				95		
Organisational Change 1						
Alternative Delivery Models		VFM	R	30		2
Japanese Youth Exchange		Regulatory	G	5		2
Total Planned Days – Organisational Change 1				35		
Organisational Change 2						
Industrial Units		Risk Based	A	15	5	WIP
Corporate Asset Strategy		Risk Based	A	15		4
Community Asset Transfers (CAT)		VFM	A	15		2
Total Planned Days – Organisational Change 2				45	5	

People and Resources					
E-Teach (Supply Staff) – Payroll and Recruitment	Advisory	R	5		ONGOING
Payroll	System Based	A	20		3
Compulsory & Early Voluntary Redundancy	Risk Based	A	15		2
Single Status – Equal Pay Claims	Advisory	G	5		ONGOING
Corporate Grants	Risk Based	A	15		2
Main Accounting – Accounts Payable (AP) / P2P	System Based	G	20		3
Main Accounting – General Ledger (GL)	System Based	G	15		4
Collaborative Planning (CP)	Risk Based	G	15		ONGOING
Finance Modernisation Programme – AR	Advisory	G	5		ONGOING
Accounts Governance Group	Advisory	G	5		ONGOING
Total Planned Days – People & Resources			120		
Planning and Environment					
Greenfield Valley Heritage Park	Risk Based	R	20	2	WIP
Building Control	System Based	R	20		2
Planning Enforcement	System Based	A	20		3
Total Planned Days – Planning & Environment			60	2	
Social Services					
Multi Agency SLA's Agreements with Combined Services with	Risk Based	A	15		3
Flying Start – Childcare Placements	Risk Based	A	10	2	WIP
PARIS finance module	Advisory	A	5		ONGOING
Family Information Services	Risk Based	A	15		2

Children Out of County Care and Education	Risk Based	A	20	1	WIP
Care Leavers	Risk Based	A	15		3
Total Planned Days – Social Services			80	3	
Streetscene and Transportation					
Enforcement	Risk Based	R	30	2	WIP
Fleet Management	Risk Based	R	20		3
Alltami Stores	System Based	A	15		2
Fleet Management	Advisory	A	5		ONGOING
Integrated Transport	Advisory	A	5		ONGOING
Maintenance of the Public Realm	Risk Based	A	10		3
Total Planned Days – Streetscene & Transportation			85	2	
Other					
Pensions Administration	System Based	A	15		4
Pensions Investments	System Based	A	15		4
North West Residual Waste Partnership	Risk Based	G	5		3
Total Planned Days - Other			35		

Investigations, Provisions and Developments		
Provision for investigations and pro-active fraud	200	57
Provision for ad-hoc requests from management	65	
Follow up reviews	30	
Audit development	30	
IDEA	10	
Total	335	57
Overall Plan Total		
	1190	92

Note: It may be necessary to bring in external resource to complete this technical ICT audit.

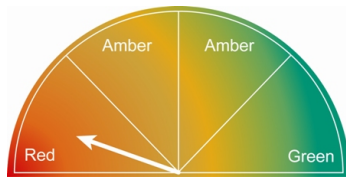
Appendix D

The following reports have been finalised since the last Audit Committee. Action plans are in place to address the weaknesses identified. For reviews which received red assurance a summary of the findings and the Action Plan is attached.

Project Reference	Project Description	Level of Assurance	Recommendations		
			High	Med	Low
15-2014/15	Document Sealing	Green	0	0	4
17-2014/15	Single Status – Additional Payments	Amber -	1	4	1
32-2015/16	CCTV	Amber +	0	4	2
46-2015-16	Housing Benefits	Green	0	0	1
17-2015/16	Freedom of Information Request	Amber +	0	2	4
34-2015/16	Main Accounting -Accounts Payable (AP) and P2P (2015/16)	Amber -	1	3	3
INV0071516	Winter Maintenance – Weather Forecasting	N/A	1	1	2
37-2015/16	Payroll	Green	0	0	4
44-2015/16	Pensions Admin	Amber +	0	1	4
43-2015/16	Risk Management	Amber +	0	3	6
13-2015/16	Section 106 Agreements	Red	1	7	6
11-2015/16	Data Protection	Amber -	0	5	1
60-2015/16	Concessionary Travel	Amber +	0	3	3
61-2015/16	Schools Risk Based Thematic Review	Amber -	2	1	2

Levels of Assurance – standard reports.

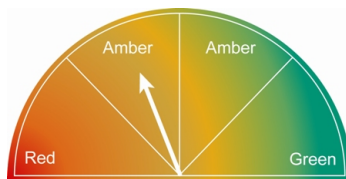
The audit opinion is the level of assurance that Internal Audit can give to management and all other stakeholders on the adequacy and effectiveness of controls within the area audited. It is assessed following the completion of the audit and is based on the findings from the audit. Progress on the implementation of agreed actions will be monitored. Findings from **Red** assurance audits or audits with **High** level recommendations will be reported to the Audit Committee.



Urgent system revision required (one or more of the following)

- Key controls are absent or rarely applied
- Evidence of (or the potential for) significant financial / other losses
- Key management information does not exist
- System / process objectives are not being met, or are being met at a significant and unnecessary cost or use of resources.

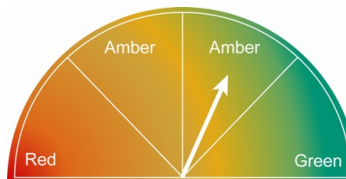
Impact: a lack of adequate or effective controls.



Significant improvement in control environment required (one or more of the following)

- Key controls exist but fail to address all risks identified and / or are not applied consistently and effectively
- Evidence of (or the potential for) financial / other loss
- Key management information exists but is unreliable
- System / process objectives are not being met, or are being met at an unnecessary cost or use of resources.

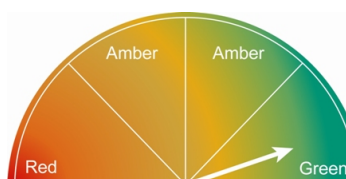
Impact: key controls are generally inadequate or ineffective.



Key Controls in place but some fine tuning required (one or more of the following)

- Key controls exist but there are weaknesses and / or inconsistencies in application though no evidence of any significant impact
- Some refinement or addition of controls would enhance the control environment
- Key objectives could be better achieved with some relatively minor adjustments

Impact: key controls generally operating effectively.



Strong controls in place (all or most of the following)

- Key controls exist and are applied consistently and effectively
- Objectives achieved in a pragmatic and cost effective manner
- Compliance with relevant regulations and procedures
- Assets safeguarded
- Information reliable

Impact: key controls have been adequately designed and are operating effectively to deliver the key objectives of the system, process, function or service.

Levels of Assurance – follow up reports.

Substantial. 75%+ of recommendations have been implemented. All high recommendations have been implemented.

Reasonable. 51-75% of recommendations have been implemented. All high recommendations have been implemented.

Some. 30-50% of recommendations have been implemented. Any outstanding high recommendations are in the process of being implemented.

Limited. <30% of recommendations have been implemented. Unsatisfactory progress has been made on the implementation of high recommendations.

Categorisation of Recommendations

High, Medium, Low

Recommendations are prioritised to reflect our assessment of risk associated with the control weaknesses

Value For Money

The definition of Internal Audit within the Audit Charter includes 'It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper economic, efficient and effective use of resources.' These value for money findings and recommendations are included within audit reports.

The findings from both the Direct Payments report and the E Teach report are predominantly about value for money.

Summary of Findings and Action Plan of Reviews with Red Assurance level

Section 106 Agreements – 13-2015/16

We have made 1 high level recommendation and 7 medium level recommendations based on the following:

- The lack of flexibility of spend of developer contributions
- The need to update the Local Planning Guidance Note (LPGN) for s106 agreements
- The funding of on-site play provisions
- The need to update the LPGN for play equipment and open space requirements
- The need to include early payments in the s106 database
- The need for Finance to be aware of the detail of all s106 agreements

No.	Findings and Implications	Agreed Action	Who	When
1	<p>Issues around the flexibility of spend of developer contributions for Education are in the process of being addressed following agreement of changes to the wording of the Planning Guidance (LPGN 23, Developer Contributions to Education) by the Planning Strategy Group on 21st January 2016. This amended guidance will now be published for consultation prior to adoption by the Council.</p> <p>Whilst these changes to the Planning Guidance, if 'defensible', will potentially address flexibility of spend of Education contributions going forward, there remain issues around lack of flexibility in the way existing developer contributions held by Education can be spent.</p>	<p>A cross directorate working group will be established to address the issues identified in the audit report. The working group will be chaired by the Chief Officer (Planning and Environment) and is likely to include representation from Planning, Education, Leisure, Finance, Legal and other services areas as appropriate.</p> <p>The working group will be time limited, and will consider;</p> <ul style="list-style-type: none"> • Section 106 linkages across the Authority, the information needs of each 	Chief Officer Planning and Environment	30/09/2016

No.	Findings and Implications	Agreed Action	Who	When
	<p>Education contributions from developers are based on a contribution formula which seeks to identify the number of children of school age likely to be generated by the development. The formula is based on statistical data and trends and in some instances may not translate into the actual number of anticipated additional pupils; there may be pupils within the new development who already attend the nearest school; or there may be pupils within the development who choose not to attend the nearest school, as such the development may not generate the anticipated number of additional pupils.</p> <p>With some existing s106 agreements limiting the use of Education contributions to projects which create 'additional capacity', and Welsh Government policy around unfilled spaces within schools (which prevent creation of additional capacity in anticipation of a development, given the level of unfilled places within the County) the Authority is in a position where we have received developer contributions for the creation of additional capacity, but as an actual 'need' has not been generated it has not been possible to spend these contributions in accordance with the restrictions within the s106 legal agreement.</p> <p>Education are currently holding approximately £1.4m of s106 contributions of which £640k may be difficult to spend in accordance with the terms of the s106 legal agreement (£500k re Broughton CP and £140k re Wepre CP).</p>	<p>service area, and the information currently held by service areas to determine where there is scope for efficiencies through the sharing of information (including the scope for sharing information on the Planning DEF database).</p> <ul style="list-style-type: none"> • The adequacy of the processes in place for effectively managing those balances which must be spent within certain time frames or returned to the developer. • The scope for utilising contributions held to ensure we maximise the benefit to the Authority (specifically Education contributions which cannot currently be spent under the terms of existing s106 agreements). • The requirement for corporate oversight of the s106 processes and the robustness of the reporting structures to ensure appropriate overall control of s106 monies. <p>UR 00317</p>		

No.	Findings and Implications	Agreed Action	Who	When
	<p>The £500k contribution for Broughton CP is "<i>to be used by the Council for increased classroom provision in primary and / or secondary schools that would cater for occupants of the development within the Broughton area required as a consequence of the development.</i>" Whilst this contribution cannot currently be spent, the legal agreement does not include a time-scale for spend.</p> <p>The £140k contribution for Wepre CP is to be used to "<i>provide additional places at the Wepre Lane Primary School</i>" and must be repaid to the developer with an indexation uplift if not spend by 6/9/16.</p> <p>For both of these the council can seek to negotiate with the developers to reach an agreement to spend the money on other improvements to the school which will benefit the residents of the developments.</p>			
2	<p>All development proposals take account of Supplementary Planning Guidance Notes (where relevant) which are a material consideration in determining planning applications and appeals.</p> <p>The Authority has recently reviewed and updated the majority of the Local and Supplementary Planning Guidance Notes to support the continued use of the adopted Flintshire Unitary Development Plan, which includes detailed guidance concerning individual sites, development issues, and particular types of development.</p> <p>These updated Planning Guidance Notes will in due course replace the existing informal Local Planning</p>	<p>The Local Planning Guidance Notes are currently being brought up to date to allow continued use of the Unitary Development Plan (UDP). Whilst the UDP has technically expired, the intention is to keep the plan 'alive' for as long as possible.</p> <p>The bulk of the 'comments' from the LPGN consultation process were reported to the Planning Strategy Group on 25th February 2016. LPGN 22 will be reviewed as required following the adoption of the updated LPGN's.</p> <p>The updated LPGN's (which are still in the</p>	Strategy Manager, planning and Environment	31/12/2016

No.	Findings and Implications	Agreed Action	Who	When
	<p>Guidance Notes (LPGN's) which are presently used for development management purposes. Public consultation on the draft Supplementary Planning Guidance Notes closed on 12th February 2016, and the consultation responses are currently being considered.</p> <p>The overarching Local Planning Guidance Note for Section 106 agreements is LPGN 22 Planning Obligations, adopted by the Authority on 20/07/2007.</p> <p>Some update is required to this LPGN to include references to other Supplementary Planning Guidance which has been put in place since the guidance note was adopted (in particular Supplementary Planning Guidance 23 - Developer Contributions to Education). Planning are aware of the need for update, but will need to wait for the outcome of the consultation on the updated Local and Supplementary Planning Guidance Notes and the adoption of this updated guidance before reviewing LPGN 23.</p>	<p>consultation period) will be adopted by 30th April 2016. If it is determined that further update to LPGN 22 is required (in particular to take account of the adoption of LPGN 23, Education Contributions - adopted July 2012) then we could expect the adoption of an updated LPGN 22 by 31st July 2016.</p> <p>UR 00285</p>		
3	<p>LPGN 13, Open Space Requirements, recognises that to meet community needs the provision of public open spaces is an important consideration within proposals for new residential developments.</p> <p>For developments in excess of 25 dwellings the Planning Guidance requires the provision of on-site open space provision. If the developer wishes to have the on-site play provision and open spaces adopted by the Local Authority they will be required to make a financial contributions in lieu of maintenance of the site for a ten year period.</p>	<p>Reports were taken to Cabinet in March 2016 providing a review of the CAT scheme and Play Sufficiency Assessment specifically to try and get an agreed policy position in relation to play areas and CAT which should help develop the future s106 position with regards to existing play areas, and help the consideration of how s106 funding might be needed in future to sustain existing play areas as well as the position in respect of new play areas. Town and Community councils will be</p>	Chief Officer Organisational Change	31/03/2017

No.	Findings and Implications	Agreed Action	Who	When
	<p>This raises an issue around the resources for long term maintenance of open space provision. Planning Guidance is clear that we want open space provision in our communities, yet for each area adopted by the Local Authority there is a cost implication (as the commuted sums for maintenance only cover a 10 year period). At a time of severe financial pressure, and at a time when we are transferring play areas and open spaces to communities under CAT's (Community Asset Transfers) strategic decisions need to be made around the continuation of the policy for adopting open spaces, and these decisions need to be reflected in the Planning Guidance.</p> <p>Planning have recently provided pre-application advice to a developer which specifically stated that "<i>the applicant will be required to provide detailed proposals for the long term maintenance, management and retention of the recreation space / facility. This can be addressed via a condition precedent.</i>" The intention is this principle would be applied to future planning applications and followed up with the drafting of a policy guidance note that would be much firmer.</p> <p>However whilst the new Draft Supplementary Planning Guidance re Open Space Provision (currently out for consultation) proposes the financial contribution to be made by developers towards the maintenance of open spaces to be extended to 15 years, para 4.13 still states that the 2 options available to developers for the maintenance of open spaces are;</p>	<p>consulted on this from May onwards.</p> <p>UR 00311</p>		

No.	Findings and Implications	Agreed Action	Who	When
	<ul style="list-style-type: none"> • Developer maintains site for 15 years and then dedicates it to the Authority for legal adoption and long term maintenance; or • The developer dedicates the site to the Authority and makes a financial contribution in lieu of maintenance of the site for a period of 15 years. <p>This fails to address the long term financial pressures faced by the Authority.</p>			
4	<p>The specifications for on-site play equipment are often challenged by developers, with developers sometimes keen to substitute cheaper equipment (which consequently has an impact on maintenance budgets once the site has been adopted by the Authority). The resulting negotiation of a position acceptable to both the Authority and the developer has an obvious impact on resources within Leisure services.</p> <p>This issue is caused by ambiguity around equipment specifications within LPGN 13, Open Space Requirements.</p>	<p>Leisure to discuss the inclusion of an upfront specification for play equipment in the LPGN with the Planning Policy team. This would allow specifications to be built into the planning application (as such any changes to specification would require an amended planning application).</p> <p>UR 00313</p>	Public Open Space Manager	31/12/2016
5	<p>Testing of a sample of s106 obligations confirmed the amounts requested from developers under LPGN 13, Open Space Requirements, agreed to the contribution formula and application thresholds in the planning guidance, however it has already been recognised by Leisure Services and Planning that the amount per dwelling claimed for off-site provision, and the thresholds for the application of the guidance under LPGN 13 are not robust and are not evidence based (as identified in the 2011 audit).</p>	<p>Leisure Services to liaise with Planning to determine whether there is scope for further amendment to the revised Planning Guidance for Open Spaces to update the amount per dwelling requested from developers, and to amend the thresholds within the Planning Guidance.</p> <p>UR 01435</p>	Public Open Space Manager	31/12/2016

No.	Findings and Implications	Agreed Action	Who	When
	<p>Planning have recently reviewed and updated LPGN 13, with an expected adoption date for the amended guidance of 30th April 2016, no changes have been made to the contribution formula or the thresholds within the Planning Guidance as part of this update. Leisure Services were not involved in the update to LPGN 13.</p>			
6	<p>The s106 database does not include 'early payments' (i.e. payments made by developers to settle a planning obligation in advance of a formal legal agreement being drawn up) as the contribution due to the Authority is received up front, and as such there is no requirement for inclusion on the database from an enforcement point of view.</p> <p>However if the 'early payment' is made in response to a s106 obligation then it does need to be identified in the s106 database to enable us to comply with CIL Reg 123, which only allow five s106 requests to be made for each identified project or infrastructure type. In addition there is a risk that 'early payments' could become repayable to the developer if the development does not commence, and as such we need to maintain a robust record of all amounts received.</p>	<p>Early payments will be added to the s106 database.</p> <p>There is potentially scope for links between the Flair system and Masterpiece to ensure all early payments are appropriately identified. Planning and Finance will need to explore this as part of the cross directorate working group.</p> <p>UR 00335</p>	Chief Officer Planning and Environment	30/09/2016
7	<p>There is no set process in place for Finance to review each s106 legal agreement and determine the correct accounting of funding received. Currently s106 monies are accounted for in two separate places on the balance sheet, Reserves: Capital Grants Unapplied and Current Liabilities: Grants Received in Advance.</p>	<p>A cross directorate working group will be established to address the issues identified in the audit report. The working group will be chaired by the Chief Officer (Planning and Environment) and is likely to include representation from Planning, Education, Leisure, Finance, Legal and other services areas as appropriate.</p>	Chief Officer Planning and Environment	30/09/2016

No.	Findings and Implications	Agreed Action	Who	When
	<p>The accounting treatment for each s106 balance has to be determined based on the wording of the legal agreement, taking into account stipulations on expenditure, and other trigger points at which the accounting treatment may change. Whilst Legal inform Finance when s106 monies are received, Finance are not always provided with copies of the completed s106 legal agreements.</p> <p>Whilst obtaining copies of all completed s106 legal agreements may partially address the issue, Finance will also need to be kept informed of the date of commencement of development in some cases, as this is the point at which FCC's entitlement to the s106 balance crystalises.</p> <p>To further complicate matters there may be s106 agreements made as unilateral undertakings which contain clauses which attempt to impose obligations on the Local Authority which are not enforceable (on the basis that we cannot be bound by an agreement we are not party to) e.g. obligations re deadlines for spend; interest rates to be paid on unspent commuted sums, etc. Finance will need to ensure this is appropriately recognised when determining the correct treatment of balances in the year end accounts.</p> <p>At the time of the audit a piece of work was ongoing to back scan all s106 legal agreements held by Land Charges onto the EDRM system to enable Finance to be able to review original legal documentation and make appropriate judgements in respect of the accounting treatment of each s106 balance held. This</p>	<p>The working group will be time limited, and will consider;</p> <ul style="list-style-type: none"> • Section 106 linkages across the Authority, the information needs of each service area, and the information currently held by service areas to determine where there is scope for efficiencies through the sharing of information (including the scope for sharing information on the Planning DEF database). • The adequacy of the processes in place for effectively managing those balances which must be spent within certain time frames or returned to the developer. • The scope for utilising contributions held to ensure we maximise the benefit to the Authority (specifically Education contributions which cannot currently be spent under the terms of existing s106 agreements). • The requirement for corporate oversight of the s106 processes and the robustness of the reporting structures to ensure appropriate overall control of s106 monies. <p>UR 00324</p>		

No.	Findings and Implications	Agreed Action	Who	When
	<p>piece of work is now complete, and Finance are in the process of reconciling legal agreements back to the ledger, initially looking for 'quick wins.'</p> <p>Finance have also asked Legal to provide them with copies of completed Legal Agreements to support all s106 monies received going forward. This will enable Finance to determine the correct accounting treatment of each of the balances received, and will also enable Finance to ensure that an appropriate ledger code has been used for the receipt.</p>			
8	<p>Following on from paragraph 1 above, there is no process in place to ensure s106 balances are returned to developers if they are not spent in accordance with the terms (and time-scales) which may be defined in the s106 legal agreements. In addition there are currently no mechanisms for providing for interest or indexation uplift which may be due to developers on these balances.</p> <p>The right to repayment plus any interest which may be payable on unspent s106 balances will be unique to each legal agreement.</p>	<p>Review of s106 legal agreements by Finance has confirmed that there are only a very small number of agreements which could give rise to a repayment to the developer.</p> <p>However the cross directorate working group will consider;</p> <ul style="list-style-type: none"> • Section 106 linkages across the Authority, the information needs of each service area, and the information currently held by service areas to determine where there is scope for efficiencies through the sharing of information (including the scope for sharing information on the Planning DEF database). • The adequacy of the processes in place for effectively managing those balances which must be spent within certain time frames or returned to the developer. 	Chief Officer Planning and Environment	30/09/2016

No.	Findings and Implications	Agreed Action	Who	When
		<ul style="list-style-type: none"> • The scope for utilising contributions held to ensure we maximise the benefit to the Authority (specifically Education contributions which cannot currently be spent under the terms of existing s106 agreements). • The requirement for corporate oversight of the s106 processes and the robustness of the reporting structures to ensure appropriate overall control of s106 monies. <p>UR 00327</p>		

Appendix E

CRSA Results

Section	2014/15					
	Total Yes	Total Partly	Total No	Total N/A	Total Blank	All Schools
1 - Governance	91.04	5.19	2.99	0.13	0.65	100.00
2 - Financial Planning	93.18	3.57	2.27	0.32	0.65	100.00
3 - Budget Monitoring	96.10	3.46	0.43	0.00	0.00	100.00
4 - Purchasing	91.49	1.82	2.47	2.08	2.14	100.00
5 - Financial Controls	88.47	6.66	3.73	0.32	0.81	100.00
6 - Income	88.20	4.33	3.03	2.71	1.73	100.00
7 - Petty Cash	55.12	0.29	6.78	37.66	0.14	100.00
8 - School Fund	92.13	3.21	3.74	0.23	0.69	100.00
9 - Assets	63.45	15.21	16.70	0.93	3.71	100.00
10 - Insurance	64.07	2.60	19.48	0.00	13.85	100.00
11 - Data Security	76.02	5.69	12.69	0.40	5.19	100.00
12 - Free Meal Entitlements	98.70	0.00	1.30	0.00	0.00	100.00
13 - CCTV	44.59	1.30	3.03	48.05	3.03	100.00
14 - Acceptable Use of IT	94.81	1.30	0.87	2.16	0.87	100.00
15 - Health & Safety	97.10	0.30	1.30	1.00	0.30	100.00
16 - Sickness Absence Monitoring	91.56	5.84	2.60	0.00	0.00	100.00
17 - Disclosure & Barring Service	98.27	1.30	0.00	0.00	0.43	100.00
18 - Pupil Statistics	71.57	2.45	7.07	9.67	9.24	100.00
19 - Other	0	0	0	0	0	0.00
20 - Payroll (Schools Operating Own Only)	0	0	0	0	0	0.00

2015/16					
Total Yes	Total Partial	Total No	Total N/A	Total Blankw	All Schools
90.26	7.79	1.17	0.00	0.78	100.00
91.43	4.16	2.08	1.56	0.78	100.00
91.43	4.16	2.08	1.56	0.78	100.00
89.94	2.99	1.75	5.00	0.32	100.00
91.28	6.86	1.48	0.37	0.00	100.00
86.47	4.44	2.92	5.63	0.54	100.00
66.09	1.01	3.03	29.73	0.14	100.00
89.11	2.53	3.61	4.18	0.58	100.00
68.09	12.99	14.84	3.71	0.37	100.00
58.44	3.90	25.97	2.60	9.09	100.00
58.44	3.90	25.97	2.60	9.09	100.00
98.70	0.00	0.65	0.65	0.00	100.00
45.89	4.33	6.06	42.86	0.87	100.00
98.70	0.43	0.43	0.00	0.43	100.00
98.18	0.26	0.39	0.78	0.39	100.00
90.26	5.19	4.55	0.00	0.00	100.00
95.32	0.52	2.08	0.26	1.82	100.00
95.32	0.52	2.08	0.26	1.82	100.00
22.08	2.60	58.44	15.58	1.30	100.00
21.10	4.22	5.19	67.53	1.95	100.00

Action Tracking – Portfolio Performance Statistics

Report Date: June 2016

Portfolio	May 2016 Stats			Live Actions - As at May 2016		
	Number of Actions Live Since January 2016	Actions Implemented since 04.01.2016 (including Actions No Longer Valid)	% of Actions Cleared To Date	Live Actions	Actions Beyond Due Date (excludes Actions with a revised due date)	Actions with a Revised Due Date
Corporate	27	11	65%	16	0	4
Community & Enterprise	31	28		3	0	3
Education & Youth	33	30		3	0	1
Governance	54	36		18	1	1
Organisational Change 1	6	0		6	0	2
Organisational Change 2	26	15		11	0	5
People & Resources	73	63		10	0	9
Planning & Environment	10	0		10	0	7
Social Services	22	7		15	1	14
Streetscene & Transportation	23	15		8	0	2
Total	305	199		106	2	48










Actions beyond due dates




Portfolio	Audit and Action	RAG	Original and Revised Due Dates	Current Position	How risk is being managed
Governance	<p>Contract Procedure Rules</p> <p>A register of declarations to pick up wider declarations other than procurement related shall be in place in each portfolio area. Chief Officer (Governance) will produce further guidance to other Chief Officers.</p>	A	31.3.16	Not commenced. Further scoping needs to be undertaken to determine how Declarations in general are managed and also where the Register of Declarations are stored for accessibility.	A new Commissioning Form has been drafted in coincide with the new Contract Procedure Rules. Within the new Form a question regarding conflict of interest has been incorporated.
Social Services	<p>Direct Payments</p> <p>Management will implement a process to identify Annual Financial reviews needing completion, and whilst recognising there is a resource issue, liaising closely with the Financial Assessments Team to prioritise financial reviews where there are known issues and for those never having had a financial review since the beginning of the direct payment start up.</p> <p>Set a target of 1 financial review completion per team member per working day. If any team members are able to achieve a greater output than this then it will be encouraged in order to clear the backlog more quickly. When the backlog is cleared, more permanent arrangements will be determined for ongoing service provision.</p>	R	31.12.15	Response not received.	

	<p>The Accountant will implement a process for team members to record their daily completions and will at the end of each completed week summarise progress and identify and address any issues where individual team members are unable to meet their assigned quota of review completions. Collective progress will then be reported to Social Services Management team with the aim of achievement of an immediate and sustained reduction in the backlog of case files awaiting their annual review.</p> <p>Consider the benefits of reinstating the financial risk measure that was developed within the DP Financial Monitoring Process. This would help prioritise financial reviews. This tool was based on the model designed by the Chartered Institute of Public Finance and Accountancy (CIPFA</p>				
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Appendix G

Internal Audit Performance Indicators

Performance Measure	Q3	Q4	Target	RAG Rating
Internal Audit Departmental Targets				
Audits completed within planned time	100%	78%	80%	 ↓
Average number of days from end of fieldwork to debrief meeting	18.1	19.4	20	 ↓
Average number of days from debrief meeting to the issue of draft report	8.8	3.3	2	 ↑
Days for departments to return draft reports	9.10	7	3	 ↑
Average number of days from response to issue of final report	4.10	0.9	2	 ↑
Total days from end of fieldwork to issue of final report	40.10	30.6	27	 ↑
Client questionnaires responses as satisfied	100%	100%	95%	 ↓
Productive audit days	82%	77%	75%	 ↓
Other Targets				
Return of client satisfaction questionnaires	90%	67%	70%	 ↓

Key  Target not achieved  Within 20% of target  Target Achieved

↑ Improving trend → No change ↓ Worsening trend

Investigations

Ref	Date Referred	Investigation Details
<p>1. No new referrals have been received</p>		
<p>2. The following investigations have been reported to previous committees and are still being investigated</p>		
2.1	20.07.2015	A whistleblow has been received concerning alleged issues at a school, an investigation has been undertaken and a report has been issued to address the findings of the whistleblow. The school governing body are now considering the report and the issues highlighted.
2.2	18.05.2015	A referral was received concerning the use of monies on a grant funded scheme. The investigation has been concluded and a report has been issued pending further information.
<p>3. The following investigations have been completed</p>		
3.1	05.11.2014	Internal audit were informed of the alleged theft of money from a Community Network House which has affected three service users. The Police have been informed. No further action is to be taken.
3.2	04.12.2015	A referral has been received concerning potential theft of Council equipment, an investigation was carried out and the case was unproven. An internal audit report has been issued to address control weaknesses.
3.3	25.01.2016	A referral has been received concerning monies missing from a community living house. The matter has been referred to the Police who have decided not to investigate. An internal investigation has highlighted control weaknesses, an internal audit report has been issued to address these weaknesses.
3.4	27.01.2016	A referral has been received concerning missing monies from a Council establishment, The matter has been investigated and a report has been issued to address identified control issues.