

NORTHAMPTON BOROUGH COUNCIL

AUDIT COMMITTEE

Your attendance is requested at a meeting to be held in the Jeffery Room on Tuesday, 17 February 2009 at 6:00 pm.

D Kennedy
Chief Executive

AGENDA

1. APOLOGIES
2. MINUTES
3. DEPUTATIONS / PUBLIC ADDRESSES
4. DECLARATIONS OF INTEREST
5. MATTERS OF URGENCY WHICH BY REASON OF SPECIAL CIRCUMSTANCES THE CHAIR IS OF THE OPINION SHOULD BE CONSIDERED
6. RISK MANAGEMENT UPDATE S Morrell
X 8420
Report of Director of Finance and Support
7. BUDGET RISK ANALYSIS G
Chambers
X 7194
Report of Director of Finance and Support
8. UPDATES REQUESTED FROM 2 DECEMBER AUDIT COMMITTEE
 - (A) HOUSING RENTS L Wearing
X 7554
Director of Housing to Report.
 - (B) WESTBRIDGE STORES K Miller
X 8584
Report of Director of Housing
 - (C) ELECTRICAL SERVICES K Miller
X 8584
Report of Director of Housing
9. REPORTS REQUESTED BY AUDIT COMMITTEE
 - (A) COUNCIL WRITE OFF POLICY G
Chambers
X 7194
Report of Director of Finance and Support
 - (B) IBS PROJECT IMPLEMENTATION PLAN AND RISK ASSESSMENT J. Petrie
X 8590
Report of Director of Housing

10. INTERNAL AUDIT UPDATE
Report of Internal Auditor
C Dickens,
Internal
Auditor
(PWC)
11. OUTSTANDING AUDIT RECOMMENDATIONS - REVIEWS
REQUESTED BY CHAIR OF AUDIT COMMITTEE
A) Summary report to be reviewed by Audit Committee
This is part of internal audit update.
12. EXTERNAL AUDIT UPDATE
Report of the External Auditor
D Brett,
External
Auditor
(KPMG)
13. EXCLUSION OF PUBLIC AND PRESS
THE CHAIR TO MOVE:
"THAT THE PUBLIC AND PRESS BE EXCLUDED FROM THE
REMAINDER OF THE MEETING ON THE GROUNDS THAT THERE
IS LIKELY TO BE DISCLOSURE TO THEM OF SUCH CATEGORIES
OF EXEMPT INFORMATION AS DEFINED BY SECTION 100(1) OF
THE LOCAL GOVERNMENT ACT 1972 AS LISTED AGAINST SUCH
ITEMS OF BUSINESS BY REFERENCE TO THE APPROPRIATE
PARAGRAPH OF SCHEDULE 12A TO SUCH ACT."

SUPPLEMENTARY AGENDA

**Exempted Under Schedule
12A of L.Govt Act 1972
Para No:-**

14. INTERNAL AUDIT REPORT 2008-09 CAR PARKING INCOME (3)

15. KPMG ANNUAL AUDIT LETTER (3)

Appendices



NORTHAMPTON
BOROUGH COUNCIL

Item No.
6

AUDIT COMMITTEE REPORT

Report Title	Risk Management Update
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AGENDA STATUS: PUBLIC

Meeting Date:	17th February 2009
Directorate:	Finance and Support
Accountable Cabinet Member:	Malcolm Mildren
Ward(s)	Not Applicable

1. Purpose

- 1.1 To provide an update on recent progress in risk and business continuity management within the authority and a summary of the Council's refreshed Strategic Risk Register.

2. Recommendations

- 2.1 To note recent progress in risk and business continuity management across the authority.
- 2.2 To note the refreshed Strategic Risk Register and request further information as required.

3. Issues and Choices

3.1 Report Background

- 3.1.1 At the Committee meeting on 25th September 2008, the Audit Committee requested regular reports on the risk register and risk management progress.

3.2 Issues

- 3.2.1 The key areas of progress in risk and business continuity management are outlined below:
- 3.2.2 Cabinet approved the revised Risk Management Strategy on 13th January 2009. We are currently in the process of implementing the changes and improvements contained within the Strategy. Supporting the implementation is the improvement of the visibility and accessibility of risk and business continuity guidance and supporting documentation, a page has been

designed to be included on the Council's intranet site. This is currently with the IT department for implementation.

- 3.2.3 The Risk Manager has attended all Directorate DMTs to raise awareness and highlight needs for risk and business continuity across the authority. Following these meetings, the Risk Manager has met with all Heads of Service who have critical functions in their service areas to identify potential gaps in business continuity arrangements and agree steps to close the gaps.
- 3.2.4 A Report was submitted to Management Board on 29th January, seeking approval of the current list of critical functions within the authority. Management Board noted this is the first step in identifying the Council's critical functions and that the list will be further refined as the Risk Manager works closely with Heads of Service over the coming months. A copy of the Management Board Report is appended for information.
- 3.2.5 The Risk Manager, with the support of the NBC Business Continuity Group, is revising the Corporate Business Continuity Plan. This is a significant task and will be completed over the coming months.
- 3.2.6 The Management Board undertook a Strategic Risk Review on 9th February 2009. The output from this workshop will be incorporated into the Strategic Risk Register. Service-Level Risk Reviews are currently being undertaken as part of the Service Planning Process (2009/10), ensuring that the risks identified are linked to specific service objectives. The risk output from these sessions will be uploaded on to the Performance Plus system early in the new financial year. This will be the first key step in the move from Risgen, the current risk management software, to Performance Plus. Training for key users will commence over the coming months.
- 3.2.7 The Director of Finance undertook a quarterly review of the Risk Management Function in January 2009, this is the first of a newly introduced assurance process.
- 3.2.8 Steps are being taken to appoint a permanent Risk and Business Continuity Manager.

3.3 Choices (Options)

- 3.3.1 To suggest any additional areas to cover in future updates.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 None.

4.2 Resources and Risk

- 4.2.1 This report provides an update on the progress being made to ensure that risk mitigations and business continuity arrangements are in place across the Council and that these mitigations and plans are reviewed and tested on a regular basis.

4.3 Legal

- 4.3.1 There are no specific legal implications arising from this report.

4.4 Equality

4.4.1 There are no specific equalities implications arising from this report.

4.5 Consultees (Internal and External)

4.5.1 The Head of Finance & Assets and the Director of Finance & Support have been asked to comment on this report.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Supporting the Council in achieving its priorities and objectives at all levels within the organisation.

4.6.2 Providing an early warning system to alert Officers and Members to potential opportunities and threats.

4.6.3 Targeting resources at areas and issues of greatest risk where the Council's objectives are most under threat.

4.6.4 Better-informed decision-making throughout the Council.

4.7 Other Implications

4.7.1 Not applicable

5. Background Papers

5.1 Management Board Report - 29th January 2009.

5.2 The Strategic Risk Register (updated on 9th February) - at the earliest opportunity prior to the Audit Committee meeting on 17th February, the revised register will be circulated as an appendix to this report.

Sue Morrell, Interim Risk Manager, ext 8420.

1. Summary

Business continuity management is about having in place arrangements to ensure that this Council can continue to provide essential services in the event of major disruption. Examples of disruption could include loss of premises through fire or flood; loss of systems through some widespread computer or communications failure; or unavailability of staff due to epidemic disease or fuel shortage.

The Council has a 'Business Recovery Plan' which is limited in scope and is currently being re-written as a corporate business continuity plan. The purpose of this report is to propose a route towards effective business continuity arrangements, and more specifically to get approval for a list of 'critical services'.

An outline plan for achieving a more resilient organisation, as part of a wider piece of work covering risk management arrangements as well, is attached (**Appendix A**). This will be implemented and managed by Sue Morrell, the Interim Risk and Business Continuity Manager. It is suggested that oversight of the process continues to be through a cross-departmental Business Continuity Group (BCG), reporting directly to Management Board – Terms of reference attached (**Appendix B**).

As an early task, the BCG has prepared a list of critical functions, also attached (**Appendix C**). These are the functions which must be kept going or rapidly reinstated, at least in part, in the event of any disruption. During 2007 self-analysis has been done by departments, moderated by the BCG, based on the potential risk to life and limb, vulnerable people, financial or other resources and reputation of an interruption to service. It does not necessarily reflect the longer term or strategic importance of functions.

If accepted, this list will form the basis for prioritising development of individual services' continuity plans. It will also be used in allocating scarce resources; board members will recall the preparations made for the potential fuel shortages which required this kind of analysis. Subsequent changes to service areas and activities will require each department to reconsider their critical functions before developing Business Continuity Plans

2. Impact

On services

- This approach should result in the Council being confident that it can maintain critical services in the event of major disruption.
- It may require the creation or modification of systems to provide resilience in higher risk areas.
- The effect on customers will be a principal consideration, especially customers who are vulnerable or specially reliant on reliable council services.

Report to Management Board: January 29 2009
Business Continuity Management

On policy

- Part of business continuity planning concerns prioritising services in abnormal conditions. The process outlined here will lead to a clear policy on those potentially contentious decisions.

On improvement

- Having effective business continuity arrangements will demonstrate that this Council is in control of planning for its services and has considered its citizens' needs.

In terms of resources (finance, HR, Legal and risk)

- The key costs involved at this stage relate to the time and commitment required from Managers to develop their Business Continuity Plans. As individual services consider their continuity plans, costs are likely to emerge in setting up back-up systems.
- There are clear opportunities for greater efficiency and effectiveness through working with other authorities on the principle of 'mutual aid' – these arrangements need where possible to be agreed in advance of any incident.
- Prioritising services may create negative feelings among staff in the lower priority areas. This could become acute if, for example, we needed to prioritise who received anti-viral medicines in the event of an epidemic.

Risks:

- Lack of effective planning opens the Council and its citizens to a variety of significant risks, from loss of income or reputational damage to loss of life.
- The risk of discontent among staff in prioritising services has already been mentioned.
- As the Council makes further efficiencies to ensure a balanced budget, so its inherent resilience declines simply because there is less 'slack' to absorb unexpected demands. This makes clear planning all the more vital.

On reputation

- The Council's reputation will suffer if it fails to deliver basic essential services, particularly if it can be argued that this failure stems from inadequate planning or disregard of known risks.

3. Impact of taking no action now

- Our plans are already out of date. The risk of an incident for which we are inadequately prepared will increase over time.
- Some departments (housing, ICT) have already developed their own plans. This is positive, but we need to ensure that they are consistent and recognise corporate as well as service priorities.

Report to Management Board: January 29 2009
Business Continuity Management

- Internal audit have in the past looked at continuity arrangements, as has the Government Regional Office through the Northamptonshire Resilience Forum. External inspection is likely to continue showing interest in this area.

4. Recommendations

Management Board is recommended to

- Endorse the approach set out in Appendix A;
- Approve the critical functions list at Appendix C;
- Request a further report on progress before the end of June 2009.

Contact officers: Thomas Hall, Head of Policy and Community Engagement, ext.
7593
Sue Morrell, Interim Risk and Business Continuity
Manager, ext. 8420

Appendix B

Northampton Borough Council - Business Continuity Group (NBC BCG)

Terms of Reference

Introduction

The Civil Contingencies Act (CCA) 2004 established a new framework for emergency planning at the local level. The Act contains requirements for local authorities, as Category 1 Responders, to put in place internal Business Continuity Management (BCM) arrangements by May 2006. The Act further requires Local Authorities to promote business continuity to local businesses in their area.

Aim

To enable the Council to discharge its duties under the CCA relating to business continuity:

- Put in place Business Continuity Management arrangements
- Assess the risk of emergencies occurring and use this to inform contingency planning
- Share information with other local responders to enhance co-ordination
- Co-operate with other local responders to enhance co-ordination and efficiency
- Provide advice and assistance to businesses and voluntary organisations about business continuity management.

To enable departments to work together on business continuity projects and to share best practice and lessons learned.

Objectives/Responsibilities

- To lead, support and advise Managers and staff to ensure that the Council;
 - Has taken reasonable steps to reduce the likelihood and impact of foreseeable causes of disruption to the Council's critical functions
 - Has formal and robust plans in place to continue and recover critical functions in the event of any incident which threatens their continuity
 - Monitors, tests and improves the readiness of the Council to respond to any incident that threatens continuity of critical functions
- To provide a vehicle through which NBC can give focus to its Business Continuity responsibilities
 - To provide guidance and recommend action to Management Board on Business Continuity matters

Report to Management Board: January 29 2009
Business Continuity Management

- To provide assurance to Management Board on the state of readiness of the Council
- To support the promotion of awareness of business continuity management to the commercial and voluntary sectors within the Northampton Borough in order to reduce the social and economic impact of emergencies

Structure and Management

The Head of Policy and Engagement will chair NBC BCG meetings.

The Risk and Business Continuity Manager will represent the interests of the NBC BCG at Management Board and the Northamptonshire Resilience Forum Business Continuity Group (NRFBCG) meetings.

The Risk and Business Continuity Manager is responsible for

- Compiling and presenting reports to Management Board and the NRFBCG on business continuity related matters
- Providing feedback to the BCG on Management Board and NRFBCG discussions as they relate to business continuity
- Approval of minutes and agenda prior to circulation (formal sign off of minutes rests with the Chair at the following meeting)

Minutes will be issued within 2 weeks of the meeting to which they relate. Agendas and papers will be distributed at least 1 week before the meeting to which they relate. It is the responsibility of individual group members to request the addition of agenda items and provide supporting papers.

Frequency of Meetings

The frequency of meetings will be determined by the group, but will not be less than four times a year.

Membership

The Northampton Borough Council Business Continuity Group (NBCBCG) is a cross-departmental group.

- Head of Service
- Emergency Planning Officer
- Risk Management and Business Continuity Manager
- IT Services Representative
- Human Resources Representative
- Neighbourhood and Environmental Services Representative
- Housing Services Representative
- Asset Management Representative

ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
1	Risk Strategy Update	31 days	Tue 02/12/08	Tue 13/01/09		
2	Audit Committee approval of Risk Management Strategy	1 day	Tue 02/12/08	Tue 02/12/08		Audit committee
3	Cabinet approval of Risk Management Strategy	1 day	Tue 13/01/09	Tue 13/01/09		Cabinet
4						
5	Appoint permanent Risk and Business Continuity Manager or alternative arrangements	12.4 wks	Mon 05/01/09	Tue 31/03/09		GC
6						
7	Risk Register Refresh	52 days	Mon 01/12/08	Tue 10/02/09		
8	Strategic Risk Review (TBC)	1 day	Thu 29/01/09	Thu 29/01/09		Management Board
9	Service Risk Register Reviews	9 wks	Mon 01/12/08	Fri 30/01/09		RM/HoS/Directors
10	Contact Officers/Members with specific Risk/Business Continuity responsibilities	4 wks	Wed 14/01/09	Tue 10/02/09 3		RM
11	Contact all 'leads' for NBC partnerships to review registers	4 wks	Wed 14/01/09	Tue 10/02/09 3		RM
12						
13	Business Continuity Plans	145 days	Mon 10/11/08	Fri 29/05/09		
14	Management Board Report (TBC)	1 day	Thu 22/01/09	Thu 22/01/09		RM/TH
15	Create Business Continuity guidance note and template	2 wks	Mon 10/11/08	Fri 21/11/08		RM
16	Meet with HoS Management Teams	8 wks	Mon 01/12/08	Fri 23/01/09		RM/HoS
17	Create Business Continuity Plans for Critical Functions within the Council	22 wks	Mon 01/12/08	Fri 01/05/09 16SS		HoSs
18	Birdseye assessment of plans and their interdependencies	4 wks	Mon 04/05/09	Fri 29/05/09 17		BCG
19	Update Corporate Business Continuity Plan	17 wks	Mon 01/12/08	Fri 27/03/09		RM
20						
21	Exercise/Test Business Continuity Plans	150 days	Mon 01/06/09	Fri 25/12/09		
22	Test Business Continuity Plans	26 wks	Mon 01/06/09	Fri 27/11/09 18		RM/HoS
23	Create a schedule of routine testing/review of Business Continuity Plans	4 wks	Mon 30/11/09	Fri 25/12/09 22		RM/HoS
24						
25	Visibility and Access to Support Tools	125 days	Wed 03/12/08	Tue 26/05/09		
26	Move to P+	17 wks	Wed 03/12/08	Tue 31/03/09 2		RM/Performance Team
27	Create an intranet page for Risk and Business Continuity Management	8 wks	Wed 14/01/09	Tue 10/03/09 3		RM/IT
28	Create Business Continuity web page on internet for business community	8 wks	Wed 01/04/09	Tue 26/05/09 27		RM/IT
29						
30	Training Activities	137 days	Thu 13/11/08	Fri 22/05/09		
31	Member Training	1 day	Thu 13/11/08	Thu 13/11/08		RM
32	Create/advertise annual programme of risk workshops	8 wks	Mon 30/03/09	Fri 22/05/09 19		RM
33	Create a programme of risk and business continuity management training	4 wks	Wed 14/01/09	Tue 10/02/09 3		RM

Appendix C - AGREED IDENTIFICATION OF CRITICAL ACTIVITIES

Business Continuity is about safeguarding your critical functions.

If a major incident occurs we need to have a clear understanding of your **CRITICAL FUNCTIONS** and how soon these functions need to be restored (or at least maintained).

We are dividing these into 3 main categories:

Critical Function 1 (CF1): Essential functions needing to be restored within **0 - 24 hours**.

Critical Function 2 (CF2): Important functions needing to be restored between **1 - 3 days**.

Critical Function 3 (CF3): Functions needing to be restored between **3 - 7 days**.

REF	CRITICAL FUNCTIONS	STATUTORY/REGULATORY DUTY	CRITICAL FUNCTION CATEGORY	BRIEF EXPLANATION OF IMPACT ON NBC IF SERVICE NOT DELIVERED
A	CCTV monitoring		CF 1	Unable to monitor and hence direct action to address critical incidents
B	Health and Safety Management	Yes	CF 2	Unable to assess and rectify critical risks to employees' and public health and safety
E	Call Care		CF 1	The service provides 24hr cover to vulnerable adults in the community.
F	Customer Contact Centre		CF 1	The service is the main point of contact by phone for the community and is located at Cliftonville House. Initially, could be relocated to the Guildhall if building was available.
G	Revenues and Benefits Call Handling		CF 1	The service provides a call handling service for the community to deal with Benefits and Revenues issues, the first of these being the most important. This is located in the Guildhall and in an emergency could be relocated to Cliftonville House if that building was still available.
H	One Stop Shop		CF 3	The service is the first person to person point of contact with the community at the Guildhall. People would be directed to the District Offices initially until another location could be set up.
N	Environmental Health	Yes	CF 2	Some functions part of emergency plans. Could continue using manual systems but could require urgent accommodation dependant on type of disaster.
Q	Arboricultural Service		CF 1	Needs to be available to advise on potential dangerous trees and their treatment
T	Telephone System		CF 1	Internal & external communication severely restricted depending on extent of failure. Alternative sites, and use of mobile communications would be required.
U	Help Desk		CF 2	This service is the main point of contact with the users of I.T. equipment.
V	PC Support and Recovery		CF 2	This service will move and setup PCs and printers in the new locations.
W	Network Support		CF 1	This service will provide the network service to the rest of I.T.
Y	Provision and Server Recovery		CF 1	The service will provision new servers by invoking, if necessary, our disaster recovery contract or by using any spare servers that might be available at the time of the problem. Then restore the required applications in the order required by the service areas that have been affected by the business failure.
Z	Application Support		CF 2	The service will test any applications that have been restored and ensure they are working correctly before releasing them to the employee for use.
A1	Facilities Management		CF 1	Lack of staff preventing locking / unlocking of civic & administrative buildings.
C1	Responsive Repairs to Corporate Buildings		CF 3	Lack of staff or premises preventing administration of repair services resulting in repairs to corporate buildings not being instructed.
I1	Treasury Management		CF 3	Loss of money to the authority if unable to place deals, check balances, etc due to lost interest and/or interest and penalty charges on being overdrawn.
K1	Lack of IT Facilities for Budget Setting (Maximum downtime depends on timing - 1 month at certain points, 1-2 days during late January/February)		CF 1	In January/February this could be time critical within a day with the risk that the Council is unable to produce budget papers and resolutions on which to make their statutory decisions relating to setting council tax and the revenue budget. This has knock on effects for council tax billing etc.
Q1	Housing & Litigation		CF 3	Professional negligence. Contempt of court
T1	Legal Services		CF 2	Unlawful decisions, Council acting ultra vires
V1	Licensing		CF 3	Legal challenge, risk to public
W1	Electoral Services		CF 1	(Only CF1 during election periods) Failure of democratic process
Z1	Payroll		CF 3	Weekly paid staff not receiving their pay and consequently unable to meet their financial commitments

D2	Revenues and Benefits (Payment of Housing Benefit)		CF 1	May prevent or restrict seriously vulnerable people receiving the services they particularly need. May result in the loss to the Council of significant money. May cause, directly or indirectly, a significant reduction in the quality or timeliness of a direct service to the public. May bring the Council into disrepute or expose it to adverse publicity. May cause the Council to fail to hit statutory or other targets.
E2	Council Tax (Collection but not Recovery)		CF 3	May prevent or restrict seriously vulnerable people receiving the services they particularly need. May result in the loss to the Council of significant money. May cause, directly or indirectly, a significant reduction in the quality or timeliness of a direct service to the public. May bring the Council into disrepute or expose it to adverse publicity. May cause the Council to fail to hit statutory or other targets
F2	Sheltered Housing		CF 1	May prevent or restrict seriously vulnerable people receiving the services they particularly need. May cause, directly or indirectly, a significant reduction in the quality or timeliness of a direct service to the public. May bring the Council into disrepute or expose it to adverse publicity. May cause the Council to fail to hit statutory or other targets
H2	Housing Needs (Homelessness/Emergency Allocations)		CF 1	May prevent or restrict seriously vulnerable people receiving the services they particularly need. May cause, directly or indirectly, a significant reduction in the quality or timeliness of a direct service to the public. May bring the Council into disrepute or expose it to adverse publicity. May cause the Council to fail to hit statutory or other targets
J2	Tenancy Services		CF 2	May cause, directly or indirectly, a significant reduction in the quality or timeliness of a direct service to the public. May bring the Council into disrepute or expose it to adverse publicity. May cause the Council to fail to hit statutory or other targets.
K2	Rent Income		CF 3	May result in the loss to the Council of significant money. May cause, directly or indirectly, a significant reduction in the quality or timeliness of a direct service to the public. May bring the Council into disrepute or expose it to adverse publicity. May cause the Council to fail to hit statutory or other targets.
Q2	Communications Team		CF 1	Consequences may include bringing the council into disrepute or expose it to adverse publicity. The communications Team's role is to source, verify and release information to council employees (internal comms) and to the public via the media (external comms). This ensures clear, consistent messages are being released. In the event of a major incident, the media (especially TV and radio) expect a rapid response, within hours if not minutes. Downtime beyond 8-12 hours would impact on the local print media too. In the event of a major incident, national media would also require information.
R2	Refuse Collections		CF 2	Particularly critical where black sacks could be damaged causing environmental problems
S2	Street Cleansing		CF 2	Environmental degradation; health and safety hazards; reputational damage
T2	Cemeteries		CF 1	Failure to comply with requirements of some cultures for rapid burial.
U2	Housing Maintenance Repairs		CF 1	Homes uninhabitable; Safety of vulnerable residents compromised; security of premises compromised

Appendices



NORTHAMPTON
BOROUGH COUNCIL

Item No.

7

AUDIT COMMITTEE REPORT

Report Title	REVENUE BUDGET 2009 - 2012 – RISK ASSESSMENT OF OPTIONS
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AGENDA STATUS: PUBLIC

Meeting Date:	17 th February 2009
Directorate:	Finance and Support Services
Accountable Cabinet Member:	Cllr Malcolm Mildren
Ward(s)	Not Applicable

1. Purpose

- 1.1 To present the risk assessment of the budget proposals to Audit Committee for consideration.

2. Recommendations

- 2.1 That the Audit Committee consider the risk assessment of budget proposals for 2009-12.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Chief Finance Officer is required to make a statement on the Robustness of Estimates when the proposed budget is brought to Council for approval.
- 3.1.2 In support of this statement the Chief Finance Officer has led a risk assessment exercise with the relevant Heads of Service, explaining the risks in relation to the various proposals that they have put forward. This allowed each proposal to be given a Red, Amber, or Green status.
- 3.1.3 Part of this exercise also produced high-level implementation plans to allow monitoring against actions to be undertaken to ensure that the proposals are implemented to targets.

3.2 Issues and Choices

- 3.2.1 The Director of Finance and Support (the Chief Finance Officer) and the Head of Finance and Assets, interviewed each Head of Service and carried out an assessment of their budget proposals.
- 3.2.2 Management Board have also scrutinised the implementation plans and risk assessments in detail to ensure that the options are deliverable.
- 3.2.3 A full summary of the risk assessment of the budget proposals is attached at annex A. This assessment looked at planning, and deliverability of the proposal as well as progress to date.
- 3.2.4 The panel undertaking this assessment used the list of questions attached at annex B in its consideration of the options, which had been approved by Management Board. Aspects brought into consideration therefore included project plans, action taken so far, dependence on external factors, links to/reliance on delivery of other options, etc.
- 3.2.5 As attached at Annex A, six budget options has been classed as being “Red”. These are summarised in Table 1 below.

Table 1: Budget proposals with a Red status

Reference	Page	Description	£	High Risk Reason
MTPS516	3	Outsourcing of Council Tax Legal work	(41,694)	Proposal being worked on, not finalised.
MTPS74	3	Deletion of one post in Legal services	(35,770)	Subject to staff consultation
New option	4	Borough Solicitor restructure	(50,000)	Business case needs developing and approving prior to consultation
MTPS104	18	Reduction in security provision at the Guildhall	(20,000)	Low provision of security at One stop shop, Guildhall offices and car park. Incidents do occur that require security intervention.
MTPS31	31	Reprovision of toilet facilities utilising the Richmond scheme	(46,182)	Project plan completed, consultation yet to take place
MTPS31B	32	Improving the efficiency of management of Sheep Street toilet and introducing 20p charge	(50,552)	Consultation with public and stakeholders in March
Total			(244,198)	

- 3.2.6 Following the review and challenge of the above, one option has been deleted due to the associated high risks. This option is MTPS104 and the reduction of security provision at the Guildhall. The revised total of Red status options is £224,198.
- 3.2.7 Outside this other risk work has been/is being undertaken in relation to the budget proposals. For each proposal an Equalities Impact Assessment is being carried out where necessary to identify risks and issues that need to be addressed/considered in deciding whether or how to take a proposal forward.
- 3.2.8 In addition, the Overview and Scrutiny Committees have been invited to consider specific options, following a review of all the options to 22 December by the Overview and Scrutiny 3 Reporting and Monitoring Task and Finish Group. Any recommendations arising from those meetings will be referred to Cabinet for consideration alongside the final budget proposal.

Choices (Options)

- 3.2.9 The Audit Committee may consider the risk assessment processes and make comments or recommendations to the Chief Finance Officer.
- 3.2.10 The Audit Committee may consider the risk assessment processes and make comments or recommendations to Cabinet for consideration alongside the final budget proposal.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 There are no specific policy issues arising from this report

4.2 Resources and Risk

- 4.2.1 This report outlines measures taken to identify and mitigate financial risks in relation to the General Fund budget proposals and unearmarked reserve.

4.3 Legal

- 4.3.1 There are no specific legal issues arising from this report.

4.4 Equality

- 4.4.1 Equality and Diversity are being considered as a part of the budget build process, and an equalities assessment will be completed for the budget proposals before they are brought to Council for final decision later in February 2009.

4.5 Consultees (Internal and External)

- 4.5.1 Internally Heads of Service and Management Board have been consulted, and involved in the budget risk assessment process.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 All of the discretionary proposals in the draft budget have been assessed against the corporate priorities as set out in the Corporate Plan.

4.7 Other Implications

4.7.1 There are no other specific issues arising from this report.

4.7.2 The Annexes are set out as follows:

A Summary of Risk Assessment of Budget Proposals

B Questions used in the Risk Assessment of Budget Proposals

5. Background Papers

5.1 Cabinet Reports:

22 December 2008 Council Wide General Fund Revenue Budget 2009/10-2011/12

22 December 2008 The Council's Improvement Strategy

5.2 Overview and Scrutiny Reports

26 January 2009	Overview and Scrutiny 3	General Fund Revenue Budget 2009-12
29 January 2009	Overview and Scrutiny 2	General Fund Revenue Budget 2009-12
3 February 2009	Overview and Scrutiny 1	General Fund Revenue Budget 2009-12

Isabell Procter, Director of Finance and Support, ext. 8757

CHIEF EXECUTIVE						
RAG	Ref	Description	Savings for 2009/10	Implementation/Milestones	Date	Risks/Implications
23 December Cabinet Options						
	MTPS116A	Delete relocation Expenses	(4,640)	None		
	MTPS117A	Delete staff incentive budgets	(100)	None		N/A
	MTPS603	Reduction in corporate entertainment and refreshments budgets	(20,000)	Finance to apportion across all budget heads		N/A

BOROUGH SOLICITOR						
RAG	Ref	Description	Savings for 2009/10	Implementation/Milestones	Date	Risks/Implications
23 December Cabinet Options						
	O113	Income budget for recovered court costs in Legal Dept	(25,000)	None - ongoing		Reduction in income from removal of Council Tax – legal action (externalisation of work)
	O114	Increase in fees for driver, vehicle, operator and gambling licenses	(29,580)	<ul style="list-style-type: none"> ▪ Draft report presented to Management Board 11/12/08. Returned for further work to establish the costs. ▪ Establish the true cost that can be applied to license fees. ▪ Cabinet decision ▪ Implementation of new fees 	<ul style="list-style-type: none"> ▪ Further Work requested. ▪ End February ▪ 7th April ▪ 8th May 	Costs attributable to the service, upon which the fees are based are being calculated at the moment (with the assistance of finance). However, the complication is that licensing are moving to a new structure within Public Protection which may result in a lower cost base for the service which may impact on the level of fees that can be charged. The service is working with finance to assess the issues here, which will need to be resolved before the Cabinet decision.
	MTPS117F	Delete staff incentive budgets	(380)	None		N/A
	MTPS96	Reduction in Register for Electors fees and supplies and service budgets	(31,450)	None		N/A
	MTPS97	Reduction in working hours in Land Charges to match downturn in activity	(12,937)	None		N/A
	MTPS98	Reduction in printing & stationery budget in Democratic Representation	(24,410)	<ul style="list-style-type: none"> ▪ Distribution lists and print runs reduced ▪ Use of modern.gov to send electronic prompts and print reductions ▪ Monitoring of paper use 	<ul style="list-style-type: none"> ▪ Dec. 2008 & ongoing. ▪ Dec. 2008 & ongoing. ▪ Monthly & ongoing 	

BOROUGH SOLICITOR						
RAG	Ref	Description	Savings for 2009/10	Implementation/Milestones	Date	Risks/Implications
	01602	Sale of land charge date to personal search companies	(72,000)	<ul style="list-style-type: none"> ▪ Calculate exact fees chargeable for access to Raw Data from Land Charges. ▪ Contact each personal search company during February informing them of the method of obtaining the Raw Data and the proposed fees once the insurance provision has been withdrawn (4th April 2009). ▪ Responses to be disclosed to Borough Solicitor, Lead member and Director of Finance. ▪ Authorisation to be obtained to implement new fee structure. 	<ul style="list-style-type: none"> ▪ Early February 2009 ▪ Mid February 2009 ▪ Late February 2009 ▪ Early March 2009 	<ul style="list-style-type: none"> ▪ There is a statutory obligation to comply with the Statutory Instrument. ▪ Personal Search companies and members of the public will be entitled to obtain this information. ▪ HIP (Home Information Pack) providers will be required to access this information to fully validate the HIP ▪ Fees set without cost recovery mechanisms in place will be in breach of the statutory instrument
	MTPS516	Outsourcing of Council Tax Legal work and internal re-prioritisation. This will have potential staff severance cost implications	(41,694)	Francis Fernandes needs to supply details		This option is based on the externalization of Council tax related legal work (part of another option). If that option is agreed then one post will be deleted. The post is occupied by a locum member of staff, so the deletion can be actioned relatively quickly.
	MTPS74	Deletion of one post in Legal Services and reduction in supplies and services budgets	(35,770)	Implementation plan as part of restructure		Subject to staff consultation

BOROUGH SOLICITOR						
RAG	Ref	Description	Savings for 2009/10	Implementation/Milestones	Date	Risks/Implications
New Options - January						
		Borough Solicitor Restructure	(50,000)	<p><u>Phase 1:</u></p> <ul style="list-style-type: none"> ▪ Business case agreed and presented to MUTUCM, consultation launched with staff. <p><u>Phase 2:</u></p> <ul style="list-style-type: none"> ▪ 121s completed where required ▪ Consultation closed ▪ JDs reviewed by GC and approved/circulated ▪ All responses made to consultation queries ▪ Feedback to TU and staff on outcome ▪ (Management Board if significant change) <p><u>Phase 3 (a):</u></p> <ul style="list-style-type: none"> ▪ Evaluation process with HR ▪ At risk letters sent out if necessary <p><u>Phase 3 (b):</u></p> <ul style="list-style-type: none"> ▪ Ring fencing interviews <p><u>Phase 4</u></p> <ul style="list-style-type: none"> ▪ Appointments and redundancy notices ▪ Trial periods if applicable ▪ Right to appeal <p><u>Phase 5: Implementation</u></p> <ul style="list-style-type: none"> ▪ Confirm appointments/trial periods ▪ Advertise outstanding posts ▪ Leavers 		Need formal approval of proposals by Management Board, and staff consultations which may change proposals or extend implantation period

POLICY & COMMUNITY ENGAGEMENT, COMMUNICATION & CONSULTATION						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
23rd December Cabinet Options						
	MTPS117	Delete Staff incentive budget	(8)	None	N/A	N/A
	MTPS508	Reduction in Supplies and Services within Scrutiny General and reductions to telephone call costs budget within Members Support	(19,870)			
	MTPS528	Increased income from advertising hoardings	(2,000)	Ensure contracted payment received from JCDecaux	28/2/09	None – this is a payment due under contract
	MTPS75	Remove inflation of 3.3% on grants to voluntary organizations	(35,065)	None – simple budget change	N/A	See EIA – reduces flexibility in working with VC Sector
	MTPS72	Deletion of corporate subscriptions – Commonwealth & LG Forum, Urban Forum and LA Action for Southern Africa.	(1,080)	Notify LA Action for Southern Africa of decision	31/3/09	None
	MTPS71	Reduction to reflect mayoralty underspend	(11,000)	None	N/A	None
	MTPS18	Removal of unallocated grant budget	(16,768)	None – simple budget change	N/A	See EIA – reduces flexibility in working with VC Sector
	MTPS527	Reduce communications software budget	(8,000)	None – simple budget change	N/A	None
	MTPS529	Delete vacant Head of Communications and Consultation post	(80,593)	Discuss and agree structure of CX' office with incoming Asst CX	31/3/09	Strategic direction of corporate communications likely to be led by Asst CX
	MTPS73a	Replace vacant scrutiny post with admin assistant	(18,000)	<ul style="list-style-type: none"> ▪ Meeting Services agree to undertake administration of regular O&S meetings ▪ O&S revises its meeting structure and work programme ▪ Role of remaining 'professional' O&S 	Complete? (check)	See EIA – lessening of O&S' ability effectively to scrutinize executive; workload on remaining officer will have to be carefully monitored
	MTPS73b	Reduce hours on vacant scrutiny post to half time, instead of admin assistant	(3,000) in addition to 73a		28/2/09	

POLICY & COMMUNITY ENGAGEMENT, COMMUNICATION & CONSULTATION						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
	MTPS73c	Hold vacant scrutiny post vacant for a further year	(24,000) in addition to 73a and 73b	officer and of supporting officers from service department formally reviewed	28/2/09	
	MTPS78	Community Centre efficiencies – review management arrangements to balance income and expenditure	(190,000)	<ul style="list-style-type: none"> ▪ Initial report into options with pros and cons ▪ Meeting with centre representatives to explore options ▪ Meeting with potential infrastructure providers to explore options ▪ Develop firm proposals based on financial, social and HR evidence, with plan to implement those proposals ▪ Remainder depends on specific proposals 	Complete 13/2/09 20/2/09 27/2/09	Saving figure is purely a target at this stage. Feasibility depends on further evidence currently being collected. Proposals may take longer to implement, meaning that saving does not begin to accrue until after 1 April. Assumption that staff will not be affected may change depending on negotiations.

PERFORMANCE AND IMPROVEMENT						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
23rd December Cabinet Options						
	MTPS117C	Delete staff incentive budgets	(60)	NONE	N/A	NONE
	MTPS129	Savings due to not conducting a General User Satisfaction Survey on an ongoing basis.	(3,600)	NONE	N/A	Please refer to risk detailed under ESN44 above

PLANNING DEPARTMENT						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
23rd December Cabinet Options						
	MPPS117	Delete Staff Incentive Budgets	(570)	None	N/A	N/A
	MTPS 24	Reduce work carried out in nature reserves	(1,199)	<ul style="list-style-type: none"> ▪ Contracts out to tender ▪ Terminate existing contract with Wildlife Trust 	August 2009	<ul style="list-style-type: none"> ▪ Level 1 Risk ▪ Bad publicity and risk to Council's reputation
	MTPS 20	Reduction in Conservation and Improvement supplies and services budget	(6,490)	N/A	N/A	N/A
	MTPS600	Planning Dept. Restructuring See below	23,251	See Below	See Below	See Below
	OI 16	Charging for pre-planning and other planning fees	(15,000)	<ul style="list-style-type: none"> ▪ Report to Cabinet on the principle of introducing charges & commencement of staff training ▪ 6 week consultation period with key stakeholders ▪ Final approval by Cabinet ▪ Introduction of charges 	25/02/09 02/03/09 – 10/04/09 29/04/09 04/05/09	<ul style="list-style-type: none"> ▪ Don't get political buy-in to principle ▪ Reduction in charges to level that administrative burden out-weighs income achieved ▪ Insufficient time available to allow for staff training ▪ Insufficient time available to prepare necessary documentation and information for public ▪ Bad publicity and damage to Council's reputation
New Options						
	MTPS600	Planning Dept. Restructuring and keeping posts vacant 09/10 only	(447,000)	Phase 1 Stage 1 Consultation process Phase 2 Stage 2 Consultation Process Phase 3 Restructuring completed	30/01/09 16/02/09 to 20/03/09 01/04/09	Level 2 Risk Inherent risk in keeping 14 posts vacant, especially if workload increases and insufficient resources/expertise are available to maintain and improve performance. Long-term risk is that Council is unable to demonstrate that it has the capacity/expertise to recover planning powers from WNDC in 2010. Some mitigation possible by using HPDG to by in specialist services.

REGENERATION AND DEVELOPMENT						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
23rd December Cabinet Options						
	MTPS117E	MTPS117 Delete staff incentive budgets	(50)	None	N/A	None
	MTPS29	Reduce Economic Development marketing and supplies & services budget	(5,000)	Effective 1 st April 2009	1 st April 2009	This budget is required to enable the Economic Intelligence team to perform a very basic function. Whilst reductions on this item could be made, this would seriously limit the teams ability to be outward facing and continue it's current successes.
	MTPS504	Vacant posts will be deleted from establishment. The professional support required by the service as a consequence will be funded from LABGI funding	(158,000)	Effective 1 st April 2009	1 st April 2009	Reduced capacity to deliver Regeneration projects in support of corporate priorities.

HUMAN RESOURCES						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
23rd December Cabinet Options						
	MTPS117	Delete staff incentive budgets	(490)	None	N/A	None
	MTPS92	Removal of surplus Health & Safety budgets	(8,000)	None	N/A	None
	MTPS116	Delete Relocation Expenses	(17,840)	None	N/A	None
	MTPS49	Reduction in council wide training budget, exploring external funding mechanisms	(72,000)	<ul style="list-style-type: none"> ▪ Review council TNA for 09/10 ▪ Board paper on training proposals ▪ Recruit ULR post ▪ Additional funding regimes explored and presented to board ▪ Additional funding regimes via ULR 	31.3.09 31.4.09 1.4.09 1.6.09 1.10.09	<ul style="list-style-type: none"> ▪ Challenge of change programs versus CPD ▪ TU do not agree to post ▪ TU require elected post who may not have appropriate skills ▪ Funding regimes may require match funding ▪ Funding regimes may not provide full costs ▪ Agreement of 2 or more TU's to support funding regimes
	MTPS210	Savings from improved recruitment processes & advertising	(20,000)	<ul style="list-style-type: none"> ▪ More emphasis placed on internal recruitment, unless specialist skills/knowledge required. ▪ Adverts to be produced in-house by PSU. ▪ On-line recruitment to be enhanced through web development. ▪ Less reliance on external agencies for search fees. ▪ More career progression opportunities to be offered internally. ▪ Development of a Workforce planning strategy 	1.1.09 1.3.09	<ul style="list-style-type: none"> ▪ Inability to fill key vacancies through this process requiring additional spend with external agency. ▪ Greater risk of inequality issues.
	MTPS209	Additional savings from managing Commensura temporary staff contract	(100,000)	<ul style="list-style-type: none"> ▪ Consideration to converting agency contracts to permanent contracts after 6 months. ▪ Closer control/management of agency spend through 	1.4.09 1.2.09	<ul style="list-style-type: none"> ▪ Poor performance management.

HUMAN RESOURCES						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
				Commensura ▪ Commensura system to be managed in HR to provide better challenge of use of agency workers.	1.4.09	
New Options						
		Reduction in council wide training budget, exploring external funding mechanisms	(128,000)	See above		None
		Reduction in planning assumption for pay inflation from 2.5% to 2% following review of 2009/10 inflation projections	(170,000)	N/A	N/A	Pay inflation may be greater

REVENUES & BENEFITS						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
23rd December Cabinet Options						
	OI15	Review of court costs incurred / recovered within C Tax & NNDR service.	(189,100)	<ul style="list-style-type: none"> ▪ Full breakdown of budgets line implications required by Finance. ▪ Recovery timetable for 09/10 to support activity ▪ Profile of agree activity to be agreed 	Delivered Delivered 28.02.09	<ul style="list-style-type: none"> ▪ Change in Legislation (low) ▪ Change in political or organizational priorities and direction (low) ▪ Customers change their behaviors (medium)
	MTPS117R	Delete staff incentive budgets	(1,180)	NONE	Delivered	NONE
	MTPS124	Reduced requirement for overtime due to greater efficiency in revenues and benefits.	(13,000)	NONE	Delivered	NONE
	MTPS523	Savings on court costs as a result of transfer of Council Tax legal work to an external provider	(20,000)	<ul style="list-style-type: none"> ▪ Full breakdown of budgets line implications required by Finance. ▪ Review draft contract ▪ Agree with Legal Services contract arrangements ▪ Agree service provider 	Delivered Delivered 15.12.08 01.04.09	Legal, re-structure or commitment to process delays implementation (medium risk)
	MTPS524	Recovery of charges from business customers for court action and court preparation work. This is in line with other Local Authorities	(10,840)	<ul style="list-style-type: none"> ▪ Amendments to year-end process by Consortium ▪ Write to Magistrates court to agree costs 	Delivered 01.03.09	NONE
	MTPS127	<ul style="list-style-type: none"> ▪ Renegotiate s/ware contract (£3k). ▪ New search engine (£4.6k). ▪ Switch to Northgate scan plus (£4.7k) 	(12,300)	<ul style="list-style-type: none"> ▪ Contracts currently being agreed, no issues envisaged ▪ Cancellation of Locta software & implementation of 192.com ▪ Contract due to expire, notice served 	15.02.09 01.04.09 02.02.09	NONE
New Options						
		Savings in Revenues and Benefits following review of payroll budgets	(70,000)	None	N/A	None

PROCUREMENT						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
23rd December Cabinet Options						
	MTPS117R	Delete staff incentive budgets	(290)	NONE	Delivered	NONE
New Options						
		Savings from Procurement Restructure	(20,000)	<p><u>Phase 1:</u></p> <ul style="list-style-type: none"> ▪ Business case agreed and presented to MUTUCM, consultation launched with staff. <p><u>Phase 2:</u></p> <ul style="list-style-type: none"> ▪ 121s completed where required ▪ Consultation closes ▪ JDs reviewed by CD ▪ Responses made to consultation queries ▪ Feedback to TU and staff ▪ (Management Board if significant change) <p><u>Phase 3 (a)</u></p> <ul style="list-style-type: none"> ▪ Evaluation process with HR ▪ At risk letters sent out if necessary <p><u>Phase 3 (b)</u></p> <ul style="list-style-type: none"> ▪ Ring fencing interviews <p><u>Phase 4</u></p> <ul style="list-style-type: none"> ▪ Appointments and redundancy notices ▪ Trial periods if applicable ▪ Right to appeal <p><u>Phase 5</u></p> <ul style="list-style-type: none"> ▪ Implementation ▪ Confirm appointments/ trial period ▪ Advertise outstanding posts ▪ Leavers 	<p>Completed</p> <p>by 6th Feb</p> <p>20th Feb</p> <p>6th Feb</p> <p>27th Feb</p> <p>27th Feb</p> <p>6th March</p> <p>6th March</p> <p>by 13th March</p> <p>by 31st March</p>	None

FINANCE AND ASSETS						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
23rd December Cabinet Options						
	MTPS117G	Delete staff incentive budgets	(850)	NONE	N/A	NONE
	MTPS104	Reduction in security provision for the Guildhall to just cover 06:30-08:30 and 17:00-21:30 Mon-Fri and 08:30-15:30 on Saturday.	(20,000)	Contract to be amended from 1 st April 2009	In necessary time prior to April 2009	Security guard currently – responds to panic alarm, is a qualified 1 st aider, carries out patrols of Guildhall, meeting rooms, car park, visits G'hall car park when CCTV request, escorts cash collections, general security presence is One stop shop.
	MTPS105	Vacant Property NNDR relief from 13 Guildhall Road and St Johns Terrace (offices).	(13,606)	NONE	N/A	NONE
	MTPS103	Lease office space in the Guildhall to Northampton Volunteering Centre for a period of 2 years.	(9,375)	NONE	N/A	NONE
	MTPS513	Additional savings from Govt announcement relating to 1 yr relief on vacant properties	(24,341)	NONE	N/A	NONE
	MTPS106	Savings through improved contracting on electrical works	(30,000)	DUPLICATION – TO BE REMOVED		
	MTPS115	Delete the Internal Audit contingency budget and remove from the annual plan the contingency of 35 days. Directorates will be required to fund special audits.	(20,000)	09/10 Internal Audit Plan to be agreed via Management Board at the Audit Committee meeting of 17 th February 2009	N/A	Service areas/Directorates will have to pick up costs where special audits are requested outside of the audit plan.

FINANCE AND ASSETS						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
	MTPS9	Change of method for cash payments, reducing costs and widening the facilities for making payments in local communities e.g. post office, shops.	(99,688)	<p><u>Phase 1:</u></p> <ul style="list-style-type: none"> ▪ Business case agreed and presented to MUTUCM, consultation launched with staff. <p><u>Phase 2:</u></p> <ul style="list-style-type: none"> ▪ 121s completed where required ▪ Consultation closed ▪ JDs reviewed by GC and approved/circulated ▪ All responses made to consultation queries ▪ Feedback to TU and staff on outcome ▪ (Management Board if significant change) <p><u>Phase 3 (a):</u></p> <ul style="list-style-type: none"> ▪ Evaluation process with HR ▪ At risk letters sent out if necessary <p><u>Phase 3 (b):</u></p> <ul style="list-style-type: none"> ▪ Ring fencing interviews <p><u>Phase 4</u></p> <ul style="list-style-type: none"> ▪ Appointments and redundancy notices ▪ Trial periods if applicable ▪ Right to appeal <p><u>Phase 5: Implementation</u></p> <ul style="list-style-type: none"> ▪ Confirm appointments/trial periods ▪ Advertise outstanding posts ▪ Leavers 	<p>Completed</p> <p>Completed</p> <p>Completed (selection process to be undertaken for residual cashier)</p> <p>by 20th Feb</p> <p>by 31st March</p>	<p>Project work to be delivered on time (redeployment of staff), negative press coverage, e-returns and bar coding testing (Invoices sent such Sundry debts, council tax demands and rent statements, will have bar codes on in the future)</p> <p>Adequate communications is a risk/implications – this has been met via 11 group meetings and a radio slot.</p>

FINANCE AND ASSETS						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
	MTPS107	Asset Management restructure.	(130,920)	<p><u>Phase 1:</u></p> <ul style="list-style-type: none"> ▪ Business case agreed and presented to MUTUCM, consultation launched with staff. <p><u>Phase 2:</u></p> <ul style="list-style-type: none"> ▪ 121s completed where required ▪ Consultation closed ▪ JDs reviewed by GC and approved/circulated ▪ All responses made to consultation queries ▪ Feedback to TU and staff on outcome ▪ (Management Board if significant change) <p><u>Phase 3 (a):</u></p> <ul style="list-style-type: none"> ▪ Evaluation process with HR ▪ At risk letters sent out if necessary <p><u>Phase 3 (b):</u></p> <ul style="list-style-type: none"> ▪ Ring fencing interviews <p><u>Phase 4</u></p> <ul style="list-style-type: none"> ▪ Appointments/ redundancy notices ▪ Trial periods if applicable ▪ Right to appeal <p><u>Phase 5: Implementation</u></p> <ul style="list-style-type: none"> ▪ Confirm appointments/trial periods ▪ Advertise outstanding posts ▪ Leavers 	<p>Completed</p> <p>by 6th Feb</p> <p>20th Feb</p> <p>6th Feb</p> <p>27th Feb</p> <p>27th Feb</p> <p>6th March</p> <p>6th March</p> <p>by 13th March</p> <p>by 31st March</p>	<p>Recruitment to vacancies, knowledge and experience of staff moving to Housing, limited capacity for detailed design work</p>

FINANCE AND ASSETS						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
	MTPS111	Restructure of the Finance Section.	(174,274)	<p><u>Phase 1:</u></p> <ul style="list-style-type: none"> ▪ Business case agreed and presented to MUTUCM, consultation launched with staff. <p><u>Phase 2:</u></p> <ul style="list-style-type: none"> ▪ 121s completed where required ▪ Consultation closed ▪ JDs reviewed by GC and approved/circulated ▪ All responses made to consultation queries ▪ Feedback to TU and staff on outcome ▪ (Management Board if significant change) <p><u>Phase 3 (a):</u></p> <ul style="list-style-type: none"> ▪ Evaluation process with HR ▪ At risk letters sent out if necessary <p><u>Phase 3 (b):</u></p> <ul style="list-style-type: none"> ▪ Ring fencing interviews <p><u>Phase 4</u></p> <ul style="list-style-type: none"> ▪ Appointments/ redundancy notices ▪ Trial periods if applicable ▪ Right to appeal <p><u>Phase 5: Implementation</u></p> <ul style="list-style-type: none"> ▪ Confirm appointments/trial periods ▪ Advertise outstanding posts ▪ Leavers 	<p>Completed</p> <p>30th Jan 30th Jan</p> <p>4th Feb by 6th Feb</p> <p>by 13th Feb</p> <p>by 20th Feb</p> <p>by 20th Feb</p> <p>Review at 27th Feb</p>	<p>No on site VAT expertise, removal of Planning & Improvement Team, resilience in the Systems Team, removal of dedicated Treasury Manager, Resilience and ability to absorb ad hoc/project work/CAA UoR workloads.</p>

FINANCE AND ASSETS						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
New Options						
		Additional savings from Asset Management Restructure	(48,000)	SEE ABOVE		Risks as above
		Anticipated savings from retendering of Insurance Contract	(75,000)	<ul style="list-style-type: none"> • Tender Complete • Awaiting outcome 	7 th Feb	None

CUSTOMER SERVICES and ICT						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
23rd December Cabinet Options						
	MTPS117L	Delete staff incentive budgets	(700)	NONE	N/A	NONE
	MTPS520	Reduce contingency and disaster recovery contract costs as a result of server virtualisation and replanning with no impact on service	(10,000)			
	MTPS521	Reduce PC replacement programme and rationalize PC numbers	(20,000)			
	MTPS522	Savings on software licence for Goodlink, printing and external consultancy	(9,490)			
	MTPS12	Use first class mail for urgent mail only	(7,000)	Communication required to all staff	By 31 st March 2009	Workloads force staff to resort to first class mail
	MTPS519	Reduction of mobile phone usage	(10,000)	<ul style="list-style-type: none"> ▪ Produce list of mobiles by cost centre for distribution to Heads of Service (& Directors) 6/2/9 ▪ Issue list of mobiles & explanatory 15% saving memo to Heads of Service (copy to Directors) 9/2/9 ▪ Heads of Services to analyse mobiles in use within their areas to determine need and which can be cancelled 6/3/9 ▪ Reminder to Heads of Service 27/2/9 ▪ Surplus connections and any queries to be resolved 13/3/9 	By 6 Feb By 9 Feb By 6 Mar Reminder 27 Feb By 13 March	NONE No risks have been identified from an ICT perspective – Service areas will need to ensure that they can function with reduced mobiles (there must be no health & safety impact on lone workers for example).

CUSTOMER SERVICES and ICT						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
	MTPS 14	Voice recognition technology answering all incoming calls to the switchboard leading to the saving of 2.8 FTE posts. (Linked with MTPS 15, level 1 savings)	(39,554)	<ul style="list-style-type: none"> ▪ Approval from cabinet received ▪ Procure software ▪ Develop knowledge base and load into software ▪ Go live internally and Testing to go live externally 1st October 2009 ▪ Staff training - and communications 	Feb 2009 Feb 2009 Mar to Jul 09 Jun to Aug 09 Sep 09	<ul style="list-style-type: none"> ▪ Consultation comes back as negative on this option/will need to retain staff to deliver switchboard service. (Low risk) ▪ Staff saving delivered through customer service restructure
	MTPS15	Implement Voice Recognition Software on switchboard. Most calls answered by a human voice, with back up from voice recognition software in peak times. This allows the saving of one vacant post (linked with MTPS 14)	(13,553)	See MTPS 14	N/A	See MTPS 14
	MTPS506	Introduction of a modern apprentice scheme within Customer Services. Training apprentices up to ICS professional award, using qualified apprentices to recruit to vacant posts.	(24,000)	Selection of best "Modern Apprentice Scheme" by end May 2009. Recruit into post by end August 2009.	N/A	Savings to be delivered by customer service restructure
	MTPS505	Absorb welfare home visits to Housing and Council Tax benefits into the visiting team within Housing Benefits	(10,976)	Handover of work plan and agreement of appointment referral process	28/2/09	NONE

CUSTOMER SERVICES and ICT						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
	MTPS 27	Closure of Weston Favell Housing Office	(53,312)	<ul style="list-style-type: none"> ▪ Customer Consultation – budget options ▪ Find alternative accommodation for staff based in building ▪ Plan and execute Office moves ▪ Customer & Staff Communications 	Feb 09 Feb 09 Through March 2009	<ul style="list-style-type: none"> ▪ Negative public reaction to the closure of the building. Poor comms could lead to increase in customer complaints following closure of the office/building. (High Risk) ▪ Staff comms link to customer service restructure
	MTPS 13	Implementation of e-benefits will lead to a reduction in process time and electronic vs. paper based system leading to staff savings on the basis that it is implemented by 31 st March 2009	(37,286)	<ul style="list-style-type: none"> ▪ Review post runs and reduce collections ▪ Review job descriptions of team ▪ Training and implementation of E-Bens 	31/3/09 31/03/09 31/05/09	E-bens not in place till end May. Increase in benefit applications expected which makes this saving difficult to achieve. Discussions underway with Benefits to take some of the DWP Admin grant to retain these posts for one year and with Building Control to retain the posts to complete a back scanning project.
	MTPS 52	Reduce Costs of the Corporate Complaints Function by 1 FTE. Workload to be spread across other team members. (This option is superseded by additional savings in the Customer Services Restructure) – the complaints function will be built into the front line service process	(26,321)	<ul style="list-style-type: none"> ▪ Restructure consultation ▪ Revise process to two stages ▪ Develop automated reporting and revise CRM configuration ▪ Staff training (CRM), secretaries, Front line staff ▪ Transfer Reporting to Performance team 	5/3/09 31/03/09 31/07/09 1/8/09 to 30/09/09 1/9/09 to 30/09/09	Complaints increase as a result of reduced services due to other council budget options. This will impact on the speed of project delivery and also how well the process will be embedded into the front line service.
	MTPS 53	Bring Ombudsman complaints into the Chief Executives Office reducing customer services 1FTE	(47,964)	<ul style="list-style-type: none"> ▪ Restructure consultation ▪ Training for Information Management Team on link officer duties/CRM ▪ Training/awareness for Executive Secretaries & Directors 	05/03/09 31/03/09 Up to 31/3/09	Capacity issues for teams receiving the workload. However, at present Ombudsman investigations are declining.

CUSTOMER SERVICES and ICT						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
	MTPS 66	Implementation of Value for Money Review in the Print Room, resulting in the outsourcing of part of the function	(40,000)	A proposal to look at a countywide print strategy is currently being explored. Should this be explored, these savings will be achievable. However, this will delay the start of the VFM Review		No agreement on a countywide print strategy would delay the start of the VFM implementation and could impact on the savings being achieved.
	MTPS 54	Reduction in Head Count in face-to-face operations through the withdrawal of face-to-face advice services at Kingsthorpe Housing Office.	(22,497)	<ul style="list-style-type: none"> ▪ Customer Consultation – through budget process ▪ Staff consultation is through the restructure process (below) ▪ Customer and staff communications (if decision is to close the advice point) 	Feb 09 5/3/09 06/03/09 to 31/03/09	<ul style="list-style-type: none"> ▪ Negative reaction to reduction in service (low to medium risk) ▪ Redundancy (low risk) ▪ Negative public reaction post closure (low to medium risk)

CUSTOMER SERVICES and ICT						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
New Options – January 2009						
		Additional savings from Customer Services restructure	(30,000)	<p><u>Phase 1:</u></p> <ul style="list-style-type: none"> ▪ Business case agreed and presented to MUTUCM, consultation launched with staff. <p><u>Phase 2:</u></p> <ul style="list-style-type: none"> ▪ 121s completed where required ▪ Consultation closes ▪ JDs reviewed by CD ▪ Responses made to consultation queries ▪ Feedback to TU and staff ▪ (Management Board if significant change) <p><u>Phase 3 (a)</u></p> <ul style="list-style-type: none"> ▪ Evaluation process with HR ▪ At risk letters sent out if necessary <p><u>Phase 3 (b)</u></p> <ul style="list-style-type: none"> ▪ Ring fencing interviews <p><u>Phase</u></p> <ul style="list-style-type: none"> ▪ Appointments and redundancy notices ▪ Trial periods if applicable ▪ Right to appeal <p><u>Phase 5</u></p> <ul style="list-style-type: none"> ▪ Implementation ▪ Confirm appointments/trial periods ▪ Advertise outstanding posts ▪ Leavers 	<p>Completed</p> <p>By 20th Feb</p> <p>20th Feb</p> <p>20th Feb</p> <p>23rd Feb</p> <p>by 27th Feb</p> <p>by 27th Feb</p> <p>6th to 13th March</p> <p>6th to 13th March</p> <p>13th to 20th March</p> <p>13th to 20th March</p> <p>By 31st March</p>	<p>Bleaker view of recession indicates that customer demand will increase in the areas of Housing, benefits and council tax arrears which are the main areas of c/s work. The resource modeling on the structure has been done on an “as is” basis. Implication is that there will be insufficient front line staff to deliver an effective service having a knock on effect in back office services.</p> <p>There is also the risk of redundancy in this area as 16.8 posts are being deleted and there are currently only 8.5 vacant posts plus 2 new posts as potential redeployment opportunities.</p>

CUSTOMER SERVICES and ICT						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
		ICT Restructure	(120,000)	<p><u>Phase 1:</u></p> <ul style="list-style-type: none"> ▪ Business case agreed and presented to MUTUCM, consultation launched with staff. <p><u>Phase 2:</u></p> <ul style="list-style-type: none"> ▪ 121s completed where required ▪ Consultation closes ▪ JDs reviewed by CD ▪ Responses made to consultation queries ▪ Feedback to TU and staff ▪ (Management Board if significant change) <p><u>Phase 3 (a)</u></p> <ul style="list-style-type: none"> ▪ Evaluation process with HR ▪ At risk letters sent out if necessary <p><u>Phase 3 (b)</u></p> <ul style="list-style-type: none"> ▪ Ring fencing interviews <p><u>Phase 4</u></p> <ul style="list-style-type: none"> ▪ Appointments and redundancy notices ▪ Trial periods if applicable ▪ Right to appeal <p><u>Phase 5</u></p> <ul style="list-style-type: none"> ▪ Implementation ▪ Confirm appointments/trial periods ▪ Advertise outstanding posts ▪ Leavers 	Completed	
					Started	

NEIGHBOURHOOD ENVIRONMENTAL SERVICES						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
23rd December Cabinet Options						
	O14 (Waste)	Increase the bulky waste collection fee from £10 for 3 items to £25 for 3 items to cover the costs of delivering the service. This is in line with other councils.	(90,000)	<ul style="list-style-type: none"> Communications plan to be agreed – press/leaflets etc from 1 March 09. Monthly budget and quarterly returns to be monitored 	Implementation 01 April 2009	<ul style="list-style-type: none"> Drop in customer participation resulting in reduced income. Increased fly tipping –risk to Council's reputation Impact on those less well off
	O15 (Waste)	Change to the current domestic/recycling rounds to include glass recycling at no extra cost to the authority. Additional income will be generated. This is a 'spend to save' option due to the capital cost of the new glass recycling boxes. The cost of the new boxes is netted off the first year's income	(58,065) (10 month year)	<ul style="list-style-type: none"> Implementation date (1 June 09) Action plan prepared 4-weekly rotation prepared Trial run successful MB agreement Budget prepared Implementation awaiting budget agreement. 	1 June 09	<ul style="list-style-type: none"> Drop in market value for the glass Low customer participation resulting in reduced recycling credits and glass sales Change in working practices for the employees Vehicle compatibility (higher risk of wear & tear with glass only collections)
	O16	Increase sport facilities fees within parks and open spaces	(9,230)	Proposed increases already set increasing costs and removing current anomalies. Produce Comms plan – press/leaflets etc.	1 April 2009	Reduced uptake Active competition for pitch space (positive) Maybe in conflict with the health agenda
	MTPS117	Delete staff incentive budgets	(1,810)	NONE	1 April 2009	NONE
	MTPS33	Reduction in use of agency budget to cover vacant posts in grounds maintenance	(130,000)	4 agency staff have already left, remaining 3 contracts will be terminated by 31/3/09	1 April 2009	Some budget remains in place to ensure success of Town Centre project and re-alignment of service level within grounds maintenance. If successful, full savings in 2010/11 & 2011/12.
	MTPS35	Saving offered in relation to an additional street cleaner included during previous budget-setting round.	(12,530)	This is deleting an unfilled post from establishment	1 April 2009	No impact or risk

NEIGHBOURHOOD ENVIRONMENTAL SERVICES						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
	MTPS36	Removal of vacant allotments officer post with no service impact	(35,430)	Memorial officer to carry out dual role, therefore releasing current incumbent	1 April 2009	No impact or risk
	MTPS39 (Waste)	Removal of vacant recycling support posts (2) with no impact on services. Posts are vacant but being filled by agency staff, proposal is once removed not to fill them at all.	(62,659)	Immediate impact Monthly monitoring of budget	1 April 2009	MRF operatives unable to cope with peak seasonal intake MRF operatives having to work overtime to compensate influx Costs involved with MRF overtime working
	MTPS43	Deletion of an historic budget to cover sickness absence, this is not used as sickness costs are covered by salary provision	(42,924)	Savings achieved by budget deletion 2009/10	1 April 2009	NONE
	MTPS16 (Waste)	Kitchen Waste recycling project has been postponed by NCC until 2011/12 at the earliest, therefore budget removed for first two years of MTFP	(260,000)	Implementation date suspended	Immediate effect	None
	MTPS31	Re-provision of toilet facilities utilising the Richmond scheme of using local businesses in the town. This saving relates to the closure of Sheep Street public conveniences from September 2009 Additional saving arising from closure of all other toilets following implementation of Richmond Scheme - £90000 pa	(£46,182)	Project plan completed for the 'Richmond Scheme' using local businesses and contributing up to £300 pa to upkeep. Consultation still needed with 'Disabled Go' organization and Derek Simpson for TCP Public and Participant Consultation from March 2009	Sept 2009	2 FT staff, 2 agency 1 due to retire/1 redeploy Redundancy costs Small investment to implement.

NEIGHBOURHOOD ENVIRONMENTAL SERVICES						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
	MTPS17	Saving reflects the option either to cease Construction Services in house provision or to retain and generate more income from internal trading. This excludes potential severance costs	(537,757)	30-day consultation from 21 January 2009 1:1s with staff w/c 25 January 2009 2 staff already interviewed and accepted re-deployment	31 March 2009	Re-deployment being pursued, risk that this may not be possible for all staff, and some redundancy costs may be incurred 9 staff at risk May be some costs relating to vehicles and accommodation if cannot be reused or contracts terminated
	MTPS211	Replacing permanent staff with temp staff as and when they leave	(385,234)	Implementation ongoing		Based on 8% turnover, which may reduce due to recession, Redeployment of existing staff (e.g. construction services) may also reduce vacancy level
	MTPS32	Reduce level of service for grounds maintenance i.e. grass cutting, less flowers, hanging baskets etc Proposed reduction of 7 vacant posts.	(332,533)	Review all cleansing services on a neighbourhood basis as part of new approach to integrated service delivery Reduce the number of grass cuts in parks Flower beds and baskets to be reduced. Free staff to fill other duties Annual leave must be robustly managed, as must sickness and absence.	1 April 2009	Losing 7 posts from Grounds Maintenance Reduced frequencies could impact on NI 195 score Reduced grounds maintenance in residential areas
	MTPS34	Integration of the Park Ranger service in Neighbourhood Environmental Services. Deletion of a post in 2008/09 with remaining post being considered for 2009/10	(45,629)	Redundancy notices have already been served	6 April 2009	Redundancy payments Costs have already been calculated and shared with Finance via HR Limited impact of service/existing site security
	MTPS31B	Improve efficiency of management of Sheep Street toilets and introduce charging at 20p per visit	(50,552)	Consultation with public and stakeholders during March Reduction in opening times from 7.30 to 5.30	1/4/09	Additional costs of turnstiles Redundancy and redeployment of existing staff Severance costs

NEIGHBOURHOOD ENVIRONMENTAL SERVICES						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
New Options – January 2009						
		Reduce staffing in parks horticultural service	(40,000)	Re-distribution of workload – 6 weeks to accomplish Does not require external consultation	1 April 2009	Delays in redundancy/redeployment of member of staff Severance costs
		Introduction of wild flower areas as opposed to mowing regime	(23,000)	First seeds to be sown from 1 April. Reduced cutting from mid-April	1 April 2009	Deletion of one groundsman post Does not require external consultation
		Reduce frequency of mowing of grass on NCC land – i.e. verges- throughout the Borough, reducing the subsidy to NCC.	(192,000)	Advise NCC of proposal February 2009 Reduction of cuts from 12 to 8 per annum (NCC pays for 2)	1 April 2009	Reduced service more complaints
		Reduce management costs in Street Care Service	(49,000)	Restructuring options identified 23 rd February 2009 Consultation with staff during March	1 April 2009	Significant restructuring could require longer consultation Dependent on existing vacancies to achieve restructuring
	(Waste)	Review of agency staff budget in waste	(30,000)	Implemented on 26 January 2009	26 Jan 2009	Increased participation from customers will increase agency hours In recession may be difficulties in finding agency staff to work reduced hours.
	(Waste)	Reduce the number of front line employees by one (have one black sack delivery person rather than two)	(28,000)	Immediate impact from day one Monitor staffing levels on a daily basis	1 April 2009	Longer to deliver bags, boxes and bins to new and existing customers Council's reputation Lone working issues

PUBLIC PROTECTION						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
23rd December Cabinet Options						
	OI2	Introduce flat rate charge for Drain Clearing Service Option. The free drain clearing service will either stop or be provided for a charge.	(12,000) (Income)	<ul style="list-style-type: none"> ▪ Briefing to Procurement re contract ▪ Contract specification agreed by ▪ Contract tender process ▪ Suitable tendering application reviewed ▪ Contact/arrangements approved by ▪ If no contractual arrangements suitable decide to cease to coincide with review of Housing Maintenance service ▪ Housing Maintenance Service informed of proposals 27/1/09 	15 Jan 09 13 Feb 09 W/e 26 Feb 09 W/e 14 March 09 31 March 09 W/e 14 March 09) 26 January 2009)	<ul style="list-style-type: none"> ▪ Service provided within Housing Maintenance/cross over implications ▪ No suitable contractor/arrangements may need to cease service ▪ Increase in enforcement activity with Regulatory service instead of free rodding service hence increased time to deal with blockages. ▪ Lack of resources in Regulatory Services to meet demand ▪ Drains not cleared, may result in public health issues ▪ Public complaints, media interest ▪ Inability of contractor/NBC to collect new charges/increase in debt to Council ▪ Budget increase not met
	OI10	Project bid led by Police with WNCD for GAF3 funding on CCTV Monitoring for Business area of Brackmills	(55,000) (Income)	<ul style="list-style-type: none"> ▪ Business impact district (Brackmills) approved by WNDC ▪ Business sign up ▪ Seek to underwrite cost of service from major business obtained (completed) ▪ Arrange funding transfer to CCTV service for when service starts 	Dec 08 31 Mar 09 Jan 09 TBA	<ul style="list-style-type: none"> ▪ Funding not available ▪ Income not guaranteed ▪ CCTV resources over stretched ▪ Impact on quality of service elsewhere
	MTPS117P	MTPS117 Delete staff incentive budgets	(520)	Corporate issue	2009/10	
	MTPS91	Removal of CASPAR Officer post, which has been vacant since August 2007. Service delivered in a different manner.	(27,110)	<ul style="list-style-type: none"> ▪ Post already vacant ▪ Duties will be undertaken by remaining NWs ▪ Neighbourhood Management now covers this area of work 		<ul style="list-style-type: none"> ▪ Lack of capacity to meet demand ▪ Possible increase in crime/vandalism etc in the area-

PUBLIC PROTECTION						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
	MTPS110A	Introduce full Pest Control charges except for Rat treatment. Subsidised fees for those in receipt of benefits will stop for treatment of mice and insects	(10,000)	<ul style="list-style-type: none"> ▪ Briefing to procurement ▪ Contract specification agreed ▪ Contract tender (existing contract expires end of June 09) ▪ Contract awarded beginning ▪ Promotion of changed service standard 	15 Jan 09 By 13 Feb 09 March 09 May 09 May 09	<ul style="list-style-type: none"> ▪ Financial impact on those that currently receive concessionary rates (reduced fees) ▪ Customer will not use service if have to pay more. ▪ Increases in Public Health risks in society (mice, bed bugs, fleas, etc) ▪ Public perceived fear of disease outbreaks increases, actual probability low but possible ▪ Complaints about service to council increases
	MTPS110B	Cease pest control provision by direct contract when current contract ends in 2009/10 - additional savings to above	(22,320)	Cease service when contract expires	End of June 09	<ul style="list-style-type: none"> ▪ Financial impact on those that currently receive concessionary (reduced fees) EIA attached ▪ Customer will not use service if have to pay more. ▪ Increases in Public Health risks in society (mice, bed bugs, fleas, etc) ▪ Public perceived fear of disease outbreaks increases, actual probability low but possible. ▪ Complaints about service to council increases ▪ Rat infestation will not be treated and will become 'visible' in some areas. ▪ Media interest ▪ Possible adverse impact on image of town ▪ Need to use legal processes more often ▪ Unreasonable costs incurred ▪ Capacity of PP staff to undertake additional enforcement for pest control

PUBLIC PROTECTION						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
	MTPS208	Restructure public protection service to support the introduction of a geographic focus to service delivery at a neighborhood level, in conjunction with Neighbourhood Environmental Services	(186,000)	<ul style="list-style-type: none"> ▪ Business case to Management Board ▪ Directors report to Board ▪ Structure for consultation agreed by Management Board ▪ Informal briefing to all PP staff ▪ Directors brief to all staff ▪ Formal meeting (two for each group) to all PP staff ▪ One to One with all at risk with Head of Service ▪ Original business case, proposed structure and function charts to all PP staff at formal meetings ▪ External consultation including Police, NCC, EA ▪ New Job Description for NWs and Environmental Crime Officers circulation for consultation during Jan 09 ▪ Review feedback from consultation ▪ Report outcome, amendments to proposed structure to Director ▪ NWs JD evaluated job matching ▪ Interviews ▪ Implement during March for 1 April start ▪ Relocate Licensing 	<ul style="list-style-type: none"> Nov 08 5 Dec 08 5 Dec 08 11-22 Dec 08 17 Dec 08 7 –30 Jan 27 Jan 09 w/e 6 Feb end Jan 09 3-10 Feb 09 8-13 Feb 9 w/e 13 Feb 09 In week 4 of Feb March 09 March 09 	<ul style="list-style-type: none"> ▪ Reduction of NWs from 15 to 9 (17 at risk including TL and admin post) ▪ Creation of 3 new Environmental Crime Officer ▪ Impact on partnership relations (particularly Police) ▪ CDRP performance measures may be adversely affected. ▪ Change de-motivates staff ▪ Customer access to payment facilities (Licensing) not available at CH ▪ Loss of staff due to change/uncertainty ▪ Lack of capacity to fulfill mandatory service if demand increases ▪ No resilience in capacity ▪ Increase Public dissatisfaction /complaints about service to Council/Ombudsman etc ▪ Stress and fatigue in staff may increase absence ▪ Lack of time to retrain/change culture of service.

PUBLIC PROTECTION						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
	MTPS56	Reduce service to statutory 'Stray' collection only. All other Animal Welfare Officers Functions will stop	(41,000)	<ul style="list-style-type: none"> ▪ Briefing to Procurement for stray dog collection ▪ Contract specification agreed ▪ Existing AWO's informed of decision ▪ Contract tender processed by procurement ▪ Suitable tender application reviewed ▪ This process will also include renewal of kenneling contract within same time scale ▪ Stray dog contract to start when AWO post vacated ▪ NWs to deal with FPNs enforcement for dog fouling 	<p>15 Jan 09</p> <p>13 Feb 09</p> <p>w/e 26 Feb 09</p> <p>we 21 Feb 09</p> <p>we 14 March 09</p>	<ul style="list-style-type: none"> ▪ Loss of two Animal Welfare posts (2 at risk) ▪ Limited service within contract for statutory duties only, other existing function in service to stop, leading to complaints about service, reduced dedicated resource to deal with dog fouling, other dog issues (dog on dog/human attack) ▪ More strays in streets/longer to capture/RTA incidents ▪ Contract programme very tight ▪ At risk staff delay in removal from establishment ▪ No suitable contractor ▪ Not able to contract within budget ▪ Increase in demand exceeding approved budget during year ▪ Delay in implementing/savings therefore reduced ▪ No service to assist housing evictions etc ▪ Police concerns with service/impact on them ▪ Failure of new contract to start on time

PUBLIC PROTECTION						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
NEW OPTIONS - JANUARY						
		Reduce car parking budget for Licensing staff	(4,000)	Staff to use ASP parking system	March 09	None
		Cease providing Environmental Health Call out service	(13,000)	<ul style="list-style-type: none"> ▪ Inform staff of service change ▪ Inform public/stakeholders service not available from April onwards 	March 09 March 09	<ul style="list-style-type: none"> ▪ The service receives approximately 90 calls per year, many of which are dealt with over the telephone ▪ The majority of calls relate environmental protection issues around noise e.g. building alarms, car alarms and noisy parties. ▪ The Current service is a 24/7. ▪ Other Statutory service in particularly Police and Env Agency use service 6-7 times per year ▪ System is registered with Depart. of Health in case of national disasters with local impacts ▪ Reduction in service to the public and increased dissatisfaction. ▪ May be additional complaints about the level of service ▪ The Corporate Mgt Service Emergency Call system may receive additional calls at all levels. ▪ Other Statutory Agencies would expect there to be some kind of emergency service, including Health & Safety Executive, Food Standards Agency, Health Protection Agency, Police Service, Northamptonshire County Council and Environment Agency. Some private companies e.g. Anglian Water and National Grid would also expect there to be some out of hours service.

CULTURE AND LEISURE SERVICES BUDGET OPTIONS 2009/10						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones		Risks/Implications
23rd December cabinet options						
	O1R10001	Increased leisure fee income	(50,000)	<ul style="list-style-type: none"> ▪ Regular forecasting carried out on a monthly basis to predict trends/growth ▪ Monthly basis to predict trends/growth ▪ Proposed price increases delivered to finance for implementation ▪ Benchmarking has been carried out with our neighbouring LA's as well as other service providers within Northampton i.e. Schools Swimming Pools, Virgin, Esporta, Canons. 	1 April 2009	<ul style="list-style-type: none"> ▪ Due to current financial climate predicted growth may be adversely affected. ▪ EIA to be completed ▪ Adding value to swimming DD could be affected by under 16's having free swimming
	MTPS203	Increase in Leisure Income based on business growth	(81,000)			
	MTPS 207	Reduction in supplies and services budget in Museums for two years, Not sustainable longer term as it will be achieved by delaying replacement of small items.	(4,286)	<ul style="list-style-type: none"> ▪ To be implemented within Revenue Budget 	Done	<ul style="list-style-type: none"> ▪ The situation has been assessed and bears little risk for a period of 2 years. ▪ This reduction cannot be maintained as it affects revenue purchases that affect the image of the service i.e. uniforms etc.
	MTPS510	Removal of p/t museum post – Abington	(11,000)	Vacant post – now deleted		<ul style="list-style-type: none"> ▪ May affect quality of customers visit due to reduced capacity on site ▪ Will reduce capacity to cover for holidays, sickness and training ▪ Will reduce capacity for building supervision and dealing with misbehaving customers.
	MTPS8	Deletion of vacant events post	(38,660)	<ul style="list-style-type: none"> ▪ Post already vacant ▪ Permanently deleted 	Done	<ul style="list-style-type: none"> ▪ Workload/events to be covered by existing team ▪ Risk of capacity not being able to cope with demand ▪ In a depressed financial environment there may be a need to promote more low cost diversionary activity to the local community.

CULTURE AND LEISURE SERVICES BUDGET OPTIONS 2009/10

RAG	REF	Description	Saving for 2009/10	Implementation/Milestones		Risks/Implications
	MTPS201	Closure of Abington Museum up to two days per week.	(9,537)	<ul style="list-style-type: none"> ▪ Proposal taken to Management Board ▪ Staff Consultation ▪ Public advised of changes to opening hours 	15.1.09 W/c 16.2.09 2.2.09	<ul style="list-style-type: none"> ▪ EIA to complete ▪ School visits proposed to be maintained by Education Officers to sustain PI figures ▪ Reduced access by public over a 12 month period ▪ Reduced access to Cultural experience may affect usage of Abington Park
	MTPS204	Savings as a result of restructure within Leisure Services. Removal of Business Development post ((51,871)	<ul style="list-style-type: none"> ▪ Proposed at Management Board ▪ Consultation at all 3 leisure centers taken place with staff ▪ Affected staff: are currently having new JD's written. ▪ Job matching is proposed to deal with this scenario ▪ Unions will be involved in process ▪ Feedback from consultation has been reviewed 	Dec 2008	<ul style="list-style-type: none"> ▪ Risk of income growth being affected. Currently 1.32m generated by BDO. ▪ Risk is being reduced by current postholder being moved to Facilities Manger where BDO role is incorporated. ▪ Position to be reviewed at 6 months to identify business growth. ▪ Potential lack of capacity to deal with business growth
	MTPS205	Closure of Northampton Museum 1 or 2 days per week (Mon only or Mon and Tues).	(13,994)	<ul style="list-style-type: none"> ▪ Proposal taken to Management Board ▪ Affected staff consulted with ▪ Public advised of changes opening hours 	1 April 2009	<ul style="list-style-type: none"> ▪ EIA to complete ▪ School visits proposed to be maintained by Education Officers to sustain PI figures ▪ Reduced access by public over a 12 month period
	MTPS204C	Improved management control of waged staff within Leisure Services	(100,000)	<ul style="list-style-type: none"> ▪ Through appointment of Assistant Managers in centres, control will be implemented. 	N/A	<ul style="list-style-type: none"> ▪ Focused attention will be placed on staffing levels ▪ Monitoring on a weekly basis will take place ▪ Saving will be placed on Risk Register ▪ There may be a risk of not achieving savings if attendances rise, however so will income apart from free swimming

CULTURE AND LEISURE SERVICES BUDGET OPTIONS 2009/10

RAG	REF	Description	Saving for 2009/10	Implementation/Milestones		Risks/Implications
	MTPS 1	Reduction in multi-sports activities in Parks during summer 2009. This is not now a reduction due to Money 4 Youth funding	(6,500)	<ul style="list-style-type: none"> Staff not affected due to fixed term contracts being offered for a maximum of 6 weeks. 		<ul style="list-style-type: none"> Due to there being a recent funding commitment from Money 4 Youth it is very likely that there will be no reduction in the normal service provision. An EIA will be completed if there is a reduction in the Summer Programme provision.
	MTPS503	Cease the balloon festival and explore alternative events in parallel with the Market Square development	(75,000)	<ul style="list-style-type: none"> In order to achieve savings, events team would have to ensure that no tenders were awarded or any contracts entered into. Informal consultation to take place w/c 9th February 2009 	1 st April 2009	<ul style="list-style-type: none"> Balloon Festival could not go ahead without current staffing levels Sponsorship is currently being sourced as it will be relied on heavily to create a balanced budget for this major event. This event is long standing within Northampton and creates an opportunity for both local and the wider community to visit and experience a quality event. The event relies heavily of there being good weather conditions to attract large audiences. We cannot control this risk. An ETA will need to be completed Approached County Cricket Ground as an alternative venue. A County match is taking place at the proposed date of the Balloon Festival and thus cannot take place at this venue. The Saints ground cannot be used for Balloon launches due to the proximity of the Lift Tower. The Events staffing proposals will be affected by this decision

CULTURE AND LEISURE SERVICES BUDGET OPTIONS 2009/10

RAG	REF	Description	Saving for 2009/10	Implementation/Milestones		Risks/Implications
	MTPS512	Closure of bar due to declining trade/demand at Lings bar. However party and trade function will remain	(5,000)	<ul style="list-style-type: none"> Customers to be consulted with Consultation to take place with staff 	w/b16.2.09 w/b 9.2.09	<ul style="list-style-type: none"> There is a low risk that this decision is unlikely to affect activity growth as the bar is not well attended. Alternative arrangements are being made for squash matches
	MPTS209	Reduction in leisure supplies and services	(5,060)	<ul style="list-style-type: none"> To be implemented within Revenue Budget 	1 April 2009	<ul style="list-style-type: none"> The situation has been assessed and bears little risk for a period of 2 years This reduction cannot be maintained as it affects revenue purchases that affect the image of the service i.e. uniforms etc
	MPTS17	Half year saving achieved by holding Business development post vacant arising from restructure.	(17,000)	<ul style="list-style-type: none"> This saving will be achieved due to the fact that leisure services will not be appointing to this post and a worst case scenario is that we will appoint on a lower scale after 6 months if there is a marked decline in income within this business area 		<ul style="list-style-type: none"> The business will be monitored closely in liaison with our accountant.
New Options – January						
		Increased income based on Corporate DD's on-line DDs, swimming DDs.	(177,463)	<ul style="list-style-type: none"> Regular forecasting carried out on a monthly basis to predict trends/growth Forecasting monthly basis to predict trends/growth 		<ul style="list-style-type: none"> Adding value to swimming DD could be affected by under 16's having free swimming Due to current financial climate predicted growth may be adversely affected Adding value to swimming DDs, could be affected by under 16's having free swimming

CULTURE AND LEISURE SERVICES BUDGET OPTIONS 2009/10

RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Risks/Implications
		Increased income from swimming lessons (£4.50/lesson)	(10,355)	▪	<ul style="list-style-type: none"> ▪ We will be the most expensive swimming lesson provider in Northampton and most expensive against our neighbouring LA's. ▪ It has been calculated that there will be a decline in income if the lesson is price increased to £5/lesson. ▪ There will be a natural loss of customers due to the employment climate and thus will affect the bottom line negatively. ▪ It is essential that we remain competitive in a recession. ▪ Proposed increase will result in an annual increase in overall cost of £24 for families with 1 child a £48 increase for 2 children and £27 increase 3 children. ▪ We have a duty to ensure that all sectors of our communities have access to our services. This increase is at the limit of the price point and any increase above this point is likely to result in a reduction in swimming lesson income. ▪ An EIA will need to be complete.
	MTPS201	Closure of Abington Museum during winter months November to March. Saving is on top of closure for up to 2 days per week.	(7,463)	<ul style="list-style-type: none"> ▪ Proposal taken to Management Board ▪ Affected staff consulted with ▪ Public advised of changes opening hours 	<ul style="list-style-type: none"> ▪ EIA to complete ▪ School visits proposed to be maintained by Education Officers to sustain PI figures ▪ Reduced access by public over a 12 month period ▪ Reduced access to Cultural experience may affect usage of Abington Park

CULTURE AND LEISURE SERVICES BUDGET OPTIONS 2009/10

RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Risks/Implications	
	No ref	Removal of Events Admin post 0.7 (p/t)	(21,500)	<ul style="list-style-type: none"> ▪ Proposal taken to Management Board ▪ Consultation to take place week beginning ▪ If the Balloon Festival is cancelled then the affected employee will commence the HR Redundancy/Re-deployment Policy. ▪ Completion 	20.1.09 2.2.09 31.3.09	<ul style="list-style-type: none"> ▪ Proposal could not be implemented if the Balloon Festival is to be continued.
	No ref	Removal of Events Officers post	(31,000)	<ul style="list-style-type: none"> ▪ Proposal taken to Management Board ▪ Consultation to take place ▪ If the Balloon Festival is cancelled then the affected employee will commence the HR Redundancy/Re-deployment Policy. ▪ To be completed by 31.3.09 	21.1.09 W/c 2.2.09 31.3.09	<ul style="list-style-type: none"> ▪ Proposal could not be implemented if Balloon Festival is to be continued ▪ Current duties include the management of events in Parks, i.e. Circus, Fairs, Balloon launches. Risk assessments carried out an income of £16k received ▪ There is an opportunity to increase income potential
	No Ref	Reduction of cleaning resources at Abington Museum (20 hours)	(11,300)	<ul style="list-style-type: none"> ▪ Consultation to take place ▪ To take effect 1st April,09 	W/c 9.2.09 1.4.09	<ul style="list-style-type: none"> ▪ Change to key holders JD need to take place. ▪ Key holders to take on cleaning duties ▪ Risk of cleaning not being maintained to previous standard, resulting in complaints
	No ref	Reduce Scale 4 Administration post at Guildhall Museum	(13,000)	<ul style="list-style-type: none"> ▪ Consultation to take place with staff and unions ▪ If post filled what needs to happen ▪ To take effect 1 April 2009 	W/c 2.2.09 1.4.09	<ul style="list-style-type: none"> ▪ If/when National Status is achieved there is a risk of not having the appropriate capacity ▪ The service currently has an externally funded post until 2011 by MLA Renaissance who deals with general administration/museum service duties. This proposed reduction may be frowned upon by the MLA ▪ There is a risk of maintaining/retaining national status.

CULTURE AND LEISURE SERVICES BUDGET OPTIONS 2009/10

RAG	REF	Description	Saving for 2009/10	Implementation/Milestones		Risks/Implications
	No ref	Reduce caretakers/key holders post at Guildhall Museum	(30,000)	<ul style="list-style-type: none"> ▪ Consultation to take place with staff and unions ▪ Once consultation has taken place then to commence HR Redundancy/ Re-deployment policy ▪ To take effect 1st April, 2009 	W/c 2.2.09 1.4.09	<ul style="list-style-type: none"> ▪ Reduction in ability to open extended hours for private views/exhibitions/private parties ▪ Reduction in capacity to cover for holidays, sickness and training ▪ Risk in reducing standard of customer satisfaction ▪ Inability to provide a caretaking resource in the Fishmarket should there be a request

TOWN CENTRE MANAGEMENT						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
23rd December cabinet options						
	MTPS117	Delete staff incentive budgets	(330)	None	N/A	None
New Options – January						
		Car parking income adjustment following review of data	(274,000)	None	N/A	Data may not be resilient

HOUSING NEEDS						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
23rd December cabinet options						
	OI9	Introduce fees on 'Decent Homes' etc Grants - - charge to cover administrative costs in line with best practice	(106,000)	Phase 1 – Charges agreed Feb Phase 2 – Internal processes amended that.	01 April 09	No significant risks identified
	OI11	Grant income from NCC for the provision of Gateway Services – Agreed for 2 years	(70,000)	<ul style="list-style-type: none"> ▪ Income agreed ▪ JD's written ▪ Recruit to posts ▪ Commence Service 	N/A	Loss of funding due to failure to meet SP requirements (Low risk)
	OI12	Introduction of a management fee on all rent bond / guarantee schemes. £50 per month charge to landlords who house NBC customers.	(60,000)	Phase 1 – Letter to all landlords registered with NBC to advise of new service – Feb 09 Phase 2 – Launch of scheme March 09	01 April 09	<ul style="list-style-type: none"> ▪ Low take up ▪ Low satisfaction rates with service provided ▪ Damage to properties (Low risk)
	OI200	Service fee income for Disabled Facilities Grants and Renovation Grants - charge to cover administrative costs in line with best practice	(50,000)	Phase 1 – Charges agreed Feb Phase 2 – Internal processes amended that.	N/A	No significant risks identified
	MTPS117J	MTPS117 Delete staff incentive budgets	(180)	None	N/A	None
	MTPS83	Reduction in cleaner hours at Exeter Place, Window cleaning bi monthly and fortnightly trade waste collection	(2,310)	None	N/A	Failure to maintain minimum standards (Low)
	MTPS82	Change of shift pattern resulting in a 1fte saving in Call care	(31,457)	<ul style="list-style-type: none"> ▪ Staff consultation ▪ Phase 2 – Business case to MTCUM ▪ Phase 3 – Implementation of new working patterns 	Jan 09 Feb 09 April 09	<ul style="list-style-type: none"> ▪ Failure to respond to service demands in acceptable timescales ▪ Inability to respond to new business opportunities (Low)
	MTPS95	Removal of furniture storage facility to homeless customers	(6,900)	Completed	N/A	No significant risks identified

HOUSING NEEDS						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
	MTPS525	Income from NCC for supported lodging services	(35,000)	<ul style="list-style-type: none"> ▪ Income agreed ▪ JD's written ▪ Recruit to posts ▪ Commence Service 	Jan 09 Jan 09 Feb 09 April 09	Loss of funding due to failure to meet SP requirements (Low risk)
	MTPS526	Outsourcing of medical assessment and appeals. This is the saving net of the cost of outsourcing.	(19,236)	<ul style="list-style-type: none"> ▪ Enter into agreement with 'Now Medical' ▪ Sign up to contractual arrangements ▪ Commence Contract 	Feb 09 March 09 April 09	Poor performance of contractor (Low risk)
	MTPS79	2.5% increase in installation, rental of lifelines and HRA contribution to monitoring charges less capital costs over 2 years. An additional £35k has already been offered as efficiency savings.	(20,396)	<ul style="list-style-type: none"> ▪ Work with Finance to prepare financial model/income streams ▪ Amend charges leaflet/customer information ▪ Write to existing customers to advise of new changes. ▪ Implement 	Feb 09 March 09 28 Feb 09 April 09	See MTPS81
	MTPS80	Additional 2.5% (to above) increase in installation, rental of lifelines and HRA contribution to monitoring charges less capital costs over 2 years.	(16,443)	<ul style="list-style-type: none"> ▪ Work with Finance to prepare financial model/income streams ▪ Amend charges leaflet/customer information 	Feb 09 March 09	See MTPS81
	MTPS81	Additional 5% (to above 2 options) increase in installation, rental of lifelines and HRA contribution to monitoring charges less capital costs over 2 years.	(33,574)	<ul style="list-style-type: none"> ▪ Work with Finance to prepare financial model/income streams ▪ Amend charges leaflet/customer information 	Feb 09 March 09	<ul style="list-style-type: none"> ▪ Negative publicity ▪ Low take up (Medium risk)
	MTPS602	Removal of 2 Vacant Private Sector Accommodation Officers posts.	(63,820)	Completed	12/08	<ul style="list-style-type: none"> ▪ Excessive caseloads for remaining staff ▪ Impact of the economic climate (Low risk)

HOUSING STRATEGY						
RAG	REF	Description	Saving for 2009/10	Implementation/Milestones	Date	Risks/Implications
23rd December cabinet options						
	MTPS117	Delete staff incentive budgets	(30)	None	N/A	None
	MTPS19	Change of post in Housing Strategy section	(19,500)	None	N/A	None

Risk Criteria:

1. Is an equality impact assessment required?
2. If required have you undertaken an equality impact assessment?
3. What are the key milestones (maximum 5) and at which milestone does delivery of the saving currently stand?
4. How reliant is delivery of the saving on external factors?
5. How will you go about managing this saving to ensure it is delivered?
6. How resilient is the service to staffing issues (e.g. if posts are cut, would sickness absence be a risk)?
7. Are there any costs associated with the saving that have not been factored in (e.g. has increased fly tipping been taken into account in proposed additional income from bulky waste charges)?
8. Have you ensured that your service managers understand the requirements to deliver these specific savings and what they involve?
9. Is the delivery of the saving dependant upon re-engineered processes and procedures? If so how much progress has been achieved in designing appropriate new processes?
10. Does the saving include deletion of posts within the establishment? If this post was not previously filled permanently will this impact on the Services ability to meet the Corporate Vacancy Factor?
11. Will delivery of the saving present any cross cutting issues within the organisation? If so have these been communicated as necessary and appropriate management action taken?
12. Will delivery of the saving impact directly on a partner organisation? If so has this been communicated and appropriate action taken?
13. Is the delivery of the saving at risk as a result of potential savings that may take place in partner organisations?
14. Will the delivery of the saving result in the organisation not meeting its statutory/legal duties?
15. What are the potential risks to service delivery and meeting service objectives? What steps have been taken to mitigate these risks?
16. Will the delivery of the saving be limited by further worsening of the current economic climate?
17. Does the achievement of the forecast correlate with the current year outturn forecast?

18. Where an option proposes the generation of additional income, has customer resistance and external competitor response been factored in? Has a planned response to potential competitive reaction been determined?
19. Does the saving link to any existing saving/efficiency option? Has the existing saving been achieved?
20. Are the identified risks captured in your risk register? Could any of the risks have a strategic impact and therefore need to be added to the strategic risk register?
21. Are you frequently monitoring the risks, making adjustments to mitigation plans and escalating significant changes as necessary?
22. Does the saving involve Restructuring?
23. Have you completed Phase 1 of the restructuring policy?
24. Have you completed Phase 2 of the restructuring policy?
25. Have you completed Phase 3a of the restructuring policy?
26. Have you completed Phase 3b of the restructuring policy?
27. Have you completed Phase 4 of the restructuring policy?
28. Have you completed Phase 5a of the restructuring policy?
29. Have you completed Phase 5b of the restructuring policy?
30. Have you completed Phase 5c of the restructuring policy?

Northampton Borough Council Internal Audit Report 2008-09 Housing Rents Review

Report No. 08_09 NBC 10 –

Assurance rating this review	No Assurance
Assurance rating previous review	Limited Assurance

Distribution List

Tim Ansell – Housing Services Manager
 Matt Arnold – Northgate Kendrick Ash
 Phillip Ralph – Rent Income Team Leader
 Julie Petrie – Quality and Systems Manager (Housing)
 Lesley Wearing – Director of Housing
 Brian Queen-Interim Housing Advisor
 Isabell Procter – Director of Finance and Support
 Gavin Chambers – Head of Finance
 Phillip Morrison – Finance Manager

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Timetable

Action	Planned date	Actual date
Agreement of terms of reference	24 October 2008	24 October 2008
Fieldwork start	10 November 2008	10 November 2008
Fieldwork complete	28 November 2008	12 December 2008
Draft report to client	31 December 2008	16 January 2009
Response by client	6 February 2009	
Final report		

Background and scope

Introduction

The Housing Rents Review was undertaken as part of the 2008/09 Internal Audit plan agreed by the Audit Committee.

This report has been prepared solely for Northampton Borough Council in accordance with the terms and conditions set out in our contract dated 1st January 2007. We do not accept or assume any liability or duty of care for any other purpose or to any other party. This report should not be disclosed to any third party, quoted or referred to without our prior written consent.

Background

This report is intended to inform management of the results of our review of Housing Rents. This review has been undertaken as part of the Core Financial Systems audit work included within the 2008/09 Internal Audit Plan. This report reflects our findings over the controls and processes in place as at the time of our internal audit fieldwork which took place during November and December 2008.

The IBS Housing Rents System was implemented in October 2007 replacing the IHSL system. A separate review was carried out on the implementation of this system in the prior year.

At the time of our review Housing Rents was in the early stages of a restructuring exercise which will bring together the tenancy and rents officers together into one team. This is expected to increase the efficiency of the housing rents function.

Approach and scope

Approach

Our work is designed to comply with Government Internal Audit Standards [GIAS] and the CIPFA Code.

Scope

In accordance with our Terms of Reference (Appendix 1), agreed with the Head of Finance and Interim Housing Services Manager, we undertook a limited scope audit of Housing Rents .

This limited scope audit involved a review of the design of the key controls together with detailed testing to determine whether the controls are operating in practice.

Limitations of scope

The scope of our work was limited to those areas identified in the terms of reference.

Staff involved in this review

We would like to thank all client staff involved in this review for their co-operation and assistance.

Name of client staff
Tim Ansell – Interim Housing Services Manager
Phillip Ralph – Rent Income Team Leader
Matthew Arnold – Northgate Kendrick Ash
Julie Petrie – Quality & Systems Manager (Housing)
Philip Morrison – Finance Manager
Lesley Wearing – Director of Housing





Our opinion and assurance statement

Introduction

This report has been issued in draft and therefore findings are subject to amendment or withdrawal. Our definitive opinions and conclusions will be those contained in the final report.

This report summarises the findings of our review of Housing Rents.

Each of the issues identified has been categorised according to risk as follows:

Risk rating	Assessment rationale
 Critical	Control weakness that could have a significant impact upon, not only the system, function or process objectives but also the achievement of the Authority's objectives in relation to: <ul style="list-style-type: none"> the efficient and effective use of resources the safeguarding of assets the preparation of reliable financial and operational information compliance with laws and regulations.
 High	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall Authority objectives.
 Medium	Control weakness that: <ul style="list-style-type: none"> has a low impact on the achievement of the key system, function or process objectives; and/or has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.
 Low	Control weakness that does not impact upon the achievement of key system, function or process objectives; however implementation of the recommendation would improve overall control.

Summary of Findings

Our detailed findings and recommendations are set out in the findings and recommendations section of this report. The table below summarises the number of findings raised and the priority rating assigned.

Risk Rating	Number of findings
Critical	0
High	5
Medium	8
Low	1
Total	14

Opinion

We are required to provide an opinion on the adequacy and effectiveness of internal control in relation to the area under review. Our opinion is based on the work performed as set out in the agreed terms of reference and is subject to the inherent limitations set out in the limitations and responsibilities section of this report. We also provide an assurance statement for the area under review.

Design of the controls under review

We identified 6 weaknesses in the design of controls in relation to the Housing Rents system, 1 of which has been assessed as high risk. In our opinion this control weakness is likely to have a significant impact on the achievement of the key objectives of the Housing Rents system.

Operation of the controls under review

We identified 8 instances where the controls were not operating as designed in practice at the time of our audit. 4 of these control weaknesses have been assessed as high risk. Based upon the sample testing performed, in our opinion these control weaknesses are likely to have a significant impact on the achievement of the key objectives of Housing Rents system.

Value for Money

During our review we did not identify any specific value for money issues.

Assurance statement

No Assurance

There are weaknesses in the design and/or operation of controls which in aggregate could have a significant impact on the achievement of key system, function or process objectives and may put at risk the achievement of organisation objectives.

It is appreciated that there is a restructuring of departments currently underway. Plans have been made to bring together tenancy and housing rents officers into one team. This should help to improve service delivery and address some of the weaknesses raised.

Follow-up

The table below summarises the recommendations made during our 2007/08 review of Housing Rents and their current status. Action has been taken by management to address the weaknesses raised and over half of these weaknesses have since been addressed.

Risk Rating	Number of findings	Implemented or no longer relevant	Outstanding or partially implemented
Critical	0	N/a	N/a
High	3	2	1
Medium	9	4	5
Low	4	4	0
Total	16	10	6

Where issues have been identified as outstanding these have been raised once again in the main body of the report and a revised management response requested.

As a minimum a follow-up review of all the agreed actions should be undertaken as part of the 2009/10 internal audit plan. In addition, consideration should be given to undertaking a follow-up review prior to year-end to assess progress being made.

Detailed findings and recommendations

Our detailed findings and recommendations are set out in the findings and recommendations section of this report. Management responses are included which identify actions to be taken, responsibility and timeframe.

Limitations and responsibilities

Limitations inherent to the internal auditor's work

We have undertaken the review of Housing Rents, subject to the following limitations.

Internal control

Internal control, no matter how well designed and operated, can provide only **reasonable** and not absolute assurance regarding achievement of an organisation's objectives. The likelihood of achievement is affected by limitations inherent in all internal control systems. These include the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Future periods

The assessment of controls relating to Housing Rents is that historic evaluation of effectiveness is not relevant to future periods due to the risk that:

- the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
- the degree of compliance with policies and procedures may deteriorate.

Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We shall endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist, unless we are requested to carry out a special investigation for such activities in a particular area.

Findings and recommendations

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
Control Design						
1	User accounts are set up and used inappropriately.	The IBS system does not record the date when new users were added to the system. Subsequently there is no way to identify when individuals were granted access to the system meaning there is a lack of an audit trail.	● Low	The Technical Support Team should investigate with the software suppliers whether this function can be added to the system to enable reports to be produced detailing when users started on the system for audit and for management purposes.	Julie Petrie Agreed and this will be looked in to. This has been logged with the software supplier as an enhancement request.	Julie Petrie December 2008

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date	
2	<p>Average void period could be under reported.</p> <p>Reduction in rental income due to longer void periods.</p>	<p>It was noted during the review that void periods had increased significantly since June 2008 when the average void period was 21.42 days:</p> <ul style="list-style-type: none"> • August 32.26 days • September 43.25 days • October 34.75 days <p>Further investigations with management, which included reviewing the start and end dates of properties on the void reports, indicated that these were different from the tenancy start and end dates on the IBS system. An initial examination indicated that the length of void periods may actually be under reported.</p>	<p>● High</p>	<p>The Council should investigate the reasons for the deterioration in voids performance and include a review of the accuracy and reliability of the underlying data supporting the void period.</p> <p>Consideration should also be given to increasing monitoring arrangements over voids until performance improves.</p>	<p>Lesley Wearing Agreed</p> <p>The launch of Choice Based Lettings (CBL) resulted in several long-term empty properties being let after being difficult to allocate under the previous system. This was anticipated and performance is now improving.</p> <p>A weekly meeting is held with Void Improvement Group, actions will be formulated to address issues raised from round seven CBL review and a Service Improvement Team has been established to address the process issues arising..</p> <p>The system used for calculating the void end period as date tenant signs for tenancy was checked with the Audit Commission, and confirmed formally by them on 20th October 2006 as correct and reaffirmed following this query.</p>	<p>Housing Solutions Manager</p>	
January 2009							PricewaterhouseCoopers LLP

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
3	Income may not be identified and allocated correctly.	Currently the suspense accounts for Housing Rents are not being reviewed and cleared on a regular basis. The total balance on the three holding accounts as at 13 November 2008 was £12,000.	● Medium	Suspense accounts should be reviewed and cleared on a regular basis.	Agreed. Will be addressed as part of the restructure, and the creation of a rental income team. Management previously identified this issue and the new structure will enable dedicated resources to be applied. At present the suspense accounts are jointly reviewed by housing and finance on a monthly basis.	Tim Ansell December 2008
4	Incorrect payments or postings are not easily identified.	No exception reports are run by rent income section to identify potential variances in rental income between periods. These could be used to identify incorrect payments or postings. This issue was also raised during our 2007/08 review of Housing Rents.	● Medium	Exception reports should be run on a monthly basis to show variances in payments between periods. Those over a designated threshold (e.g. a set percentage and monetary amount) should be reviewed to ensure that correct payments have been made.	Lesley Wearing, Phillip Ralph and Tim Ansell: Cash collection is monitored but variances are usually very low. Agreed, but as suspense accounts are monitored on a monthly basis this mitigates the risk, as large variances would be identified.	Tim Ansell December 2008

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
5	Adjustments to rent accounts may be incorrect or inappropriate.	Tenancy Support Officers do not routinely produce exception reports disclosing amendments made to rent accounts. This issue was also raised during our 2007/08 review of Housing Rents.	<ul style="list-style-type: none"> ● Medium 	Periodic exception reports should be generated from the IBS system to highlight amendments to rent accounts. All amendments should be reviewed for reasonableness and evidenced as such.	<p>Tim Ansell and Lesley Wearing</p> <p>Agreed</p> <p>At present a manual list is kept of all adjustments and this is countersigned on a monthly basis by a team Leader.</p> <p>In light of the feedback received an IBS generated report has been developed that reports all manual adjustments on a weekly basis.</p> <p>In the short term this will be received by team leaders in housing Management but post restructure this responsibility will move to the dedicated rentals team (from 31 March 2009)</p>	Tim Ansell December 2008

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
6	Credit balances could be misappropriated.	<p>It was not possible to validate that credit balances on quit accounts are reviewed. Whilst reports are produced, these are not annotated to indicate the action taken.</p> <p>At the time of audit there were 552 credit cases on the quit account totalling approximately £75,000.</p> <p>This issue was also raised during our 2007/08 review of Housing Rents.</p>	<ul style="list-style-type: none"> ● Medium 	<p>Quit accounts should be reviewed on a regular basis and a record of the outcome retained detailing actions taken.</p>	<p>Tim Ansell</p> <p>Agreed.</p> <p>These have now been reviewed.</p> <p>Since the first week of December these have been reviewed on a weekly basis and now stand at 478 cases totalling £45,000. Of this in excess of £10,000 is contained on quit accounts with no forwarding address.</p>	<p>Tim Ansell</p> <p>December 2008</p>

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
Operating effectiveness						
7	Increased risk of unpaid arrears if insufficient checks are performed prior to right to buy completions.	For 1 out of 3 right to buy property sales tested, the right to buy record held did not indicate whether the individual purchasing the property had council tax arrears with the Council.	<ul style="list-style-type: none"> ● Medium 	Prior to the completion of right to buy sales the Council should confirm whether the individual has council tax, sundry debt, rent or any other type of arrears. If this is the case the arrears should be paid prior to completion of the right to buy sale.	<p>Joanne Hammond</p> <p>Formal response required</p>	

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
8	<p>Increased risk of unidentified errors which could worsen over time if not resolved.</p> <p>Inaccurate housing rents figures on the ledger.</p>	<p>Data transfers between IBS and the general ledger are due to be carried out on a weekly basis.</p> <p>However, data was not being transferred between the two systems during April and May 2008. These data transfers were carried out during June 2008.</p> <p>Furthermore, planned data transfers for September and October 2008 were carried out more than a month after the weeks to which the data related to.</p> <p>As at the time of audit on the 17 November 2008 data transfers had not yet been carried out for week ending 26 October 2008.</p> <p>In addition, the IBS system was not reconciled to the general ledger between weeks 1 and 20 of the current financial year.</p> <p>A bulk reconciliation was performed at week 20 which resulted in large reconciling credits of over £10.3 million due to lack of sufficient coding being set up on Agresso to enable these credits to be posted. These have been reconciled but the differences remain due to the continued lack of codes on Agresso.</p> <p>At week 30, another bulk reconciliation was performed but the coding issues had not yet been resolved.</p>	<p>● High</p>	<p>The IBS/General Ledger data transfer should be performed on a weekly basis.</p> <p>Sufficient codes should be set up within Agresso as soon as possible to enable IBS data to be fully posted to the Agresso system.</p> <p>Reconciliations should be performed on a periodic basis, either weekly or monthly, in order to identify any discrepancies which are then resolved on a timely basis.</p>	<p>Phillip Morrison and Julie Petrie</p> <p>Agreed in principle with the findings although further investigation will be carried out regarding the large reconciling item.</p> <p>The review work is nearing completion.</p> <p>The majority of the £10.3m credits related to payments and housing benefits that are not interfaced from IBS but are in Agresso via interfaces from the service feeder systems and subject to separate reconciliations (e.g. cash, housing benefits). The differences are therefore not down to the lack of codes on Agresso in those instances. Coding was not set up immediately for the additional functions added to IBS in year (e.g. temporary accommodation and private sector leasing). This is being addressed.</p>	<p>Phillip Morrison</p> <p>With immediate effect</p> <p>Implementation date 1/4/2009 for ongoing weekly interfaces and reconciliations to be performed.</p> <p>Implementation date 20/2/2009 for all coding to be in place to ensure the additional functions added to IBS can be brought over.</p>
January 2009			13			PricewaterhouseCoopers LLP

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
9	Income collected from housing rents is not maximised.	<p>It was noted that the Council's performance in relation to rent collection (BVPI 66a) and rent arrears (BVPI 66b) are below target.</p> <p>Performance as at September 2008:</p> <p><u>BVPI 66a</u></p> <p>Cumulative performance at September 2008 95.44%</p> <p>Annual target 97.80%</p> <p>The rent due for September was £4,238,884 with an amount of £4,199,362 being collected. This represents a collection rate of 99.07% during the month. The cumulative performance is affected by the large brought forward arrears balance at the start of the year.</p> <p><u>BVPI 66b</u></p> <p>Cumulative performance at September 2008 9.23%</p> <p>Annual target 7.50%</p> <p>Rent arrears performance has improved significantly from previous year's review but is still below target.</p>	<ul style="list-style-type: none"> ● Medium 	<p>The Council should continue to target those tenants who are slow to pay or with significantly aged arrears to help improve their performance against these PIs.</p> <p>BVPIs are no longer reported externally and therefore the Council should also consider whether the information being provided to management is sufficient and appropriate.</p>	<p>Phillip Ralph Agreed</p> <p>Cumulative performance at 31 December 2008 was 95.83% for BVPI 66a. The monthly collection rate for December 08 was 111.36%, which shows a continuing upward trend in performance. The figure for BVPI 66b was 8.42% a continuing (good) downward trend.</p> <p>The decision was made to continue to report BVPIs as part of the Service Improvement Plan.</p> <p>The rent income action plan provides for the targeting suggested</p> <p>INTERNAL AUDIT COMMENTS:</p> <p>Can you please advise how the 2% figure has been arrived at and how this is seen as representative of a 'good' council?</p>	<p>Phillip Ralph December 2008</p> <p>The carry forward figure of £1.8m. owing at the end of the year represents about 4% of the annual debit and distorts performance figures during the year as 104% of the annual rent roll becomes collectible for the BVPI. The strategy is to reduce that carry forward figure to 3% or less by 31 March 2009 and down to less than 2% by the end of year 2009/10. This will take BVPI 66a out of the bottom quartile from 1 April 2009 (but not the current year).</p>

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
10	Refunds are made without appropriate authorisation.	<p>For 3 out of 30 refunds tested there was no written tenant request on file, however, there is no reason to suspect any irregularities with these refunds.</p> <p>On one occasion the refund voucher had not been authorised. It was noted that the total and the grand total differed by £16 and these had been circled, possibly by the reviewer but the refund had been processed anyway.</p>	<ul style="list-style-type: none"> ● Medium 	<p>Refunds should only be granted upon receipt of a written request by the tenant and all refunds should be appropriately authorised.</p>	<p>The Council started direct debit payments from April this year. Bank errors over standing orders meant that refunds had to be made quickly to correct double payments as the tenants would have been in financial difficulty.</p> <p>Agreed that all refunds should be appropriately authorized.</p> <p>All refunds are currently raised by a TSO and countersigned by a senior officer.</p> <p>It is not always the case that written requests are submitted for a refund as shown by the D/D introduction, when a number of tenants had not cancelled their standing orders and were in effect paying rent twice. In these instances forms were completed by officers to ensure that tenants suffered the minimum period of inconvenience</p>	<p>Tim Ansell December 2008</p>

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
11	Debt may become irrecoverable and unnecessarily written off.	<p>Testing of 30 large arrears cases noted that appropriate action was not always taken. The following points were noted;</p> <ul style="list-style-type: none"> Cases 238251, 73820A, 740881: missed payments not followed-up; Case 104878: 3 missed payments have not been followed-up despite agreement stating that missed payments would result in a warrant; Case 244128: insufficient arrangements as arrears aren't decreasing; and Case 705502: account wasn't updated on a timely basis to reflect current status of recovery. <p>This issue was also raised during our 2007/08 review of Housing Rents.</p>	<ul style="list-style-type: none"> High 	<p>The Council should ensure that the agreed arrears recovery procedures are being implemented consistently and in full.</p> <p>This could be ensured through regular review of recovery cases or additional training for rent officers in the process.</p>	<p>Lesley Wearing Agreed.</p> <p>The Rent Income team is currently focused on those cases with a high risk of significant rent loss. As the arrears position improves further emphasis can be placed on those cases presenting a lower monetary risk.</p> <p>The re-structure being implemented from 31 March 2009 will enable greater focus and supervision on both major cases and on new tenancies.</p>	<p>Housing Services Manager Immediately</p> <p>31 March 2009</p>

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
12	Increased risk of inappropriate and unauthorised transactions being made.	<p>Through testing of 5 manual credit account adjustments the following exceptions were noted:</p> <ul style="list-style-type: none"> • In 2 cases there was no information on the tenancy file detailing why a credit had been applied. • In 1 instance there was a delay of 6 weeks between the tenancy ending and the manual credit adjustment being processed on the system. <p>Through testing it was also noted that it is possible for a tenancy officer to clear arrears with a manual credit adjustment without authorisation being required on the system, effectively writing off the arrears and bypassing the normal write off procedure.</p>	<ul style="list-style-type: none"> ● High 	<p>The Council should ensure that all tenancy officers record sufficient information on the system detailing why an adjustment has been made and all terminations of tenancies are performed on a timely basis.</p> <p>In addition, management should consider limiting access to the credit adjustment function or introducing a review of all adjustments made to ensure the system is not being used inappropriately.</p>	<p>Tim Ansell</p> <p>We will investigate whether the credit function can be amended on the system.</p> <p>Tenancy support officers only have this function.</p> <p>A small number of staff have access to authorise these and there may be paper authorisation for these cases.</p> <p>A weekly adjustment report has now been developed that will be countersigned by a team leader. In addition we are currently exploring the possibility of computerized secondary sign off of all adjustments with IBS.</p>	<p>Tim Ansell</p> <p>Immediate investigation</p> <p>January 2009</p>

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
13	<p>If arrears are not allocated correctly and notices to quit issued promptly the Council could be losing out on revenue.</p>	<p>Through testing of 5 manual debit account adjustments the following exceptions were noted:</p> <ul style="list-style-type: none"> In 3 instances the arrears had been allocated to the wrong accounts. In one case rent payments were being allocated to a deceased tenant's account, in another case the rent was being allocated to an incorrect address and in one case the tenant had been incorrectly billed as the liability wasn't his. This tenant also had recovery letters sent to him; An instance was noted where the notice to quit was served 5 months after a tenant's death; and In one case the notice to quit gave less than two weeks to vacate, but this should have been one month's notice. 	<p>● High</p>	<p>All tenancy officers should be informed that adjustments should have clear audit trails on the accounts to demonstrate why the adjustment has been made. In addition, termination of tenancies should be performed on a timely basis. Rent should be allocated to the correct accounts and actions against the tenant who was not liable should be ceased.</p> <p>Notices to quit should be served with a one month notice period and on a timely basis.</p> <p>A recommendation regarding a periodic review of adjustments has been made in recommendation 6. This should be implemented immediately and adjustments investigated by management.</p>	<p>Housing Services Manager Agreed . Cases have been reviewed and training requirements identified.</p>	<p>Tim Ansell January 2009.</p>

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
14	Inaccurate performance reporting.	<p>BVPI66b (number of tenants with 7 weeks' arrears as percentage of tenants) for July and August 2008 appear to have been reported using incorrect figures.</p> <ul style="list-style-type: none"> • For August the actual figure was 8.85% as opposed to the 9.51% reported. • For July the actual figure was 10.14% as opposed to the 10.19% reported. <p>In both instances the Council appears to have performed better than the initial figures reported, however the total number of tenancies which is used in the calculation could not be verified due to insufficient records being retained.</p>	<ul style="list-style-type: none"> ● Medium 	<p>Although BVPIs are no longer reported externally, the Council should ensure that relevant performance information is accurately recorded and reported upon.</p>	<p>Housing Services Manager</p> <p>As previously stated, the decision was made to retain the BVPI structure pending a full scale review of PIs for 2009/10 and as part of the Service Improvement Plan</p> <p>The Council was aware of this anomaly at the time of the review, and had already taken remedial action to rectify.</p>	<p>October 2008</p>

Follow-up of prior year's recommendations

Ref.	Control weakness found	Risk & assurance rating	Recommendation	Management response	Officer responsible & implementation date	Current Status
Control Design						
1	It was noted that reconciliations of ICON (cash) to Northgate (Housing Benefits) and IBS (Rents) systems are not signed to evidence performance or review.	● Low	All reconciliations should include a front sheet which should be signed and dated to evidence timely performance and independent review.	Agreed A front sheet will be designed in agreement with Finance and introduced in the new financial year.	Julie Petrie 1 April 2008	Implemented
2.	No exception reports are run by rent income section to identify potential variances in rental income between periods. These could be used to identify incorrect payments or postings.	● Medium	Exception reports should be run on a monthly basis to show variances in payments between periods. Those over a designated threshold (e.g. a set percentage and monetary amount) should be reviewed to ensure that correct payments have been made.	Agreed The Housing department is undergoing a restructure at present. It is hoped that after this is complete, a dedicated team will investigate what exception reports can be run by IBS.	Phillip Ralph 30 June 2008	Outstanding Potential mitigating controls are in place in that there are suspense accounts for rent income. However, these are not regularly reviewed at present. Re-raised in main body of the report - see recommendation 4.

Ref.	Control weakness found	Risk & assurance rating	Recommendation	Management response	Officer responsible & implementation date	Current Status
3.	A regular review is not performed on 'N' cases (those tenants whose arrears are being collected at £3 per week) to ensure that tenants are still in receipt of full benefit.	<ul style="list-style-type: none"> ● Medium 	<p>A periodic review of 'N' tenants should be carried out. All cases should be cross referenced to the benefits system to ensure tenants are still in receipt of full benefit. Where tenants are no longer receiving support, the case should be referred to a rent officer to commence recovery action.</p>	<p>Agreed</p> <p>Due to the large arrears balance at the start of the year, the main focus of the department was the reduction of larger debts.</p> <p>Now these have been reduced, time can be spent focusing on smaller debts. This will involve review of N case.</p> <p>IBS now flags where benefits have changed. This will enable cases to be identified.</p>	Phillip Ralph 7 April 2008	Implemented

Ref.	Control weakness found	Risk & assurance rating	Recommendation	Management response	Officer responsible & implementation date	Current Status
4.	It was not possible to test refunds/rebates processed on IHSL as a report could not be run to identify refunds made.	<p>● Medium</p>	The authority should ensure that regular reports on refunds are run and checked to ensure that all have been appropriately authorised.	<p>Agreed The functionality of IHSL did not allow refunds/rebates reports to be run. This function is possible on IBS and therefore reports will be produced on a monthly basis going forward.</p>	<p>Tim Ansell With Immediate Effect</p>	Implemented
5.	It was noted that refund vouchers are not being numerically batched or filed in one location. As such it is not easy to locate specific vouchers.	<p>● Low</p>	Consideration should be given to including a cell on vouchers for recording the batch number and all vouchers should be stored in numerical order in the same location.	<p>Agreed A new filing system will be investigated and implemented to ensure that vouchers can be located.</p>	<p>Tim Ansell 31 May 2008</p>	Implemented

Ref.	Control weakness found	Risk & assurance rating	Recommendation	Management response	Officer responsible & implementation date	Current Status
6.	<p>It was noted during our review that there seems to be a lack of communication between Housing Rents, Housing Benefits and Sundry Debtors teams in relation to ensuring that a joined up approach is taken to those in Council provided accommodation and the payments process.</p>	<p>● Medium</p>	<p>Efforts should be made to encourage communication channels between departments and protocols put into place.</p>	<p>Agreed Housing Benefits A protocol is currently being drafted to outline liaison arrangements between the departments. This will be reviewed by Kendrick Ash. Sundry Debtors A protocol has recently been put in place to cover how queries on evictions and debt recovery should be dealt with between the two departments.</p>	<p>Phillip Ralph, Tim Ansell, Sue Dale Housing Benefits With immediate effect Sundry Debtors 30 June 2008</p>	<p>Implemented</p>
7.	<p>Tenancy Support Officers do not routinely produce exception reports disclosing amendments made to rent accounts.</p>	<p>● Medium</p>	<p>Periodic exception reports should be generated from the IBS system to highlight amendments to rent accounts. All amendments should be reviewed for reasonableness and evidence as such.</p>	<p>Agreed Reports will now be run and signed off by tenancy support managers to indicate that amendments are reasonable.</p>	<p>Tim Ansell 30 April 2008</p>	<p>Outstanding Exception reports are currently not being produced. Re-raised in main body of the report - see recommendation 5.</p>

Ref.	Control weakness found	Risk & assurance rating	Recommendation	Management response	Officer responsible & implementation date	Current Status
8.	<p>The 07/08 rent increase was posted to IHSL using an interface whereby data was received from Finance in spreadsheet format that was subsequently converted into a format that was accepted by and uploaded to IHSL. There was no formal reconciliation produced between the posted information and the output control report.</p>	<p>● High</p>	<p>In future years the Authority should carry out a formal reconciliation to provide comfort that rate increases have been correctly uploaded into IBS.</p>	<p>Agreed Agreed that no formal reconciliation took place during 07/08. IBS will automatically calculate rent increases and a check will be performed to ensure this was completed correctly.</p>	<p>Julie Petrie 1 April 2008</p>	<p>Implemented</p>
9.	<p>There has been no reconciliation between the IBS system and the general ledger since the system was implemented in October 2007. In addition the reconciliation of Agresso to IHSL for the period 1 July 2007 to 31 September 2007 was not completed until March 2008</p>	<p>● High</p>	<p>The Authority should ensure that a comprehensive and well documented reconciliation is performed for balances at year end. Going forward a periodic reconciliation should be performed and reviewed on a timely basis. Any reconciling items should be identified and cleared promptly. Procedure notes should be drawn up for the process and distributed to all responsible officers.</p>	<p>Agreed A full year reconciliation is to be performed at year end following the completion of the interface between Agresso and IBS. A weekly reconciliation will be performed between the two systems from April 2008.</p>	<p>Phil Morrison 1 April 2008</p>	<p>Outstanding A recommendation has been raised in the main body of the report regarding reconciliations between the Agresso and IBS systems - see recommendation 8.</p>

Ref.	Control weakness found	Risk & assurance rating	Recommendation	Management response	Officer responsible & implementation date	Current Status
10.	The Authority does not currently offer the option to pay rent by Direct Debit.	<p>● Low</p>	Action should be taken to implement payment by Direct Debit and this option communicated to all tenants.	<p>Agreed The option of direct debit has since been communicated to Standing Orders tenants. The first BACS transfer will be processed on 8th April 2008. If successful, this option will be rolled out across all accounts.</p>	<p>Phillip Ralph With immediate effect</p>	Implemented

Ref.	Control weakness found	Risk & assurance rating	Recommendation	Management response	Officer responsible & implementation date	Current Status
Control Effectiveness						
11.	<p>The level of rent arrears for current tenants has increased during 07/08. The level of debt at the start of the year stood at £1.7m and has now worsened to £1.9m.</p>	<p>● High</p>	<p>Resources should be dedicated to reducing the arrears balance. Efforts should be made to implement recovery action early on to reduce the risk of bad debt.</p>	<p>Agreed The increase in arrears in 07/08 can be attributed to a number of factors:</p> <ul style="list-style-type: none"> • The loss of 5 members of staff; • The introduction of new working practices by Kendrick Ash; • The introduction of IBS. <p>Now changes have all settled, efforts will be made to rectify the arrears situation. IBS allows arrears data to be interrogated and trends monitored. It is therefore envisaged that trend reports will be produced and reviewed on a weekly basis.</p>	<p>Phillip Ralph With immediate effect</p>	<p>Implemented</p>

Ref.	Control weakness found	Risk & assurance rating	Recommendation	Management response	Officer responsible & implementation date	Current Status
12.	Testing of 25 tenancies identified 2 instances where a signed tenancy agreement for the current address was not held on file. (refs 143686 and 174508)	<p>● Medium</p>	<p>A current signed tenancy agreement should be held on file for all tenants. In addition the authority should review the 2 cases identified and establish why current agreements are not on file and establish whether this also applies to other tenants.</p>	<p>Agreed Tenancy agreements should be in place without exception. Cases noted will be investigated and new agreement issued.</p>	<p>Tim Ansell With Immediate Effect</p>	<p>Implemented</p>
13.	<p>In 4/25 recovery cases tested, appropriate action had not been taken.</p> <ul style="list-style-type: none"> 247749: No action has been taken since a home visit 2 months previous; 520460: No recovery action has been taken despite tenant being off Housing Benefit; 586005/678271: Arrears action has not been amended to reflect changes in benefit entitlement. 	<p>● Medium</p>	<p>The Authority should ensure that the agreed arrears recovery procedures are being implemented consistently and in full. This could be ensured through regular review of recovery cases or additional training for rent officers in the process.</p>	<p>Agreed All cases mentioned are 'smaller' debts. Therefore due to the emphasis on recovering large balances these may have not been addressed in a timely fashion. See response to exception #3</p>	<p>Phillip Ralph 7 April 2008</p>	<p>Outstanding A recommendation regarding recovery cases has been made in the main body of the report following testing carried out - see recommendation 11.</p>

Ref.	Control weakness found	Risk & assurance rating	Recommendation	Management response	Officer responsible & implementation date	Current Status
14.	It was not possible to validate that credit balances on quit accounts are reviewed. Whilst reports are produced, these are not annotated to indicate the action taken. In addition, the reports are discarded each week. At the time of audit there were 520 credit cases on the quit account totalling £61k.	<ul style="list-style-type: none"> ● Medium 	Quit accounts should be reviewed on a regular basis and a record of the outcome retained detailing actions taken.	Agreed A new procedure is to be introduced whereby accounts are reviewed on a monthly basis. Report will be retained to evidence this check.	Tim Ansell 30 April 208	Outstanding Quit accounts are not currently reviewed on a regular basis. Recommendation re-raised in main body of the report - see recommendation 6.
15.	It was noted that the Authority's performance in relation to rent collection (BVPI 66a) and rent arrears (BVPI 66b) are below target. As at Jan 08 (BVPI 66a target 97.08% actual 96.01%) – (BVPI 66b target 8.25% actual 12.39%)	<ul style="list-style-type: none"> ● Medium 	The Authority should continue to target those tenants who are slow to pay or with significantly aged arrears to help improve their performance on these BVPIs.	Agreed The department acknowledge that performance on indicators is below target. The reasons for this have been noted in exception #11. Now that staff are more comfortable with IBS and working practices, it is envisaged that performance will move into the upper quartile.	Phillip Ralph Of immediate effect	Partially Implemented A recommendation has been re-raised in the main body of the report regarding BVPI performance and management information 9. - see recommendation 9.

Ref.	Control weakness found	Risk & assurance rating	Recommendation	Management response	Officer responsible & implementation date	Current Status
16.	<p>Due to staff illness, suspense accounts for DWP contributions (£3 per week) were not cleared for the month of January 2008.</p> <p>All contributions are manually posted to individual accounts and only one individual performs this task.</p>	<p>● Low</p>	<p>The functionality of IBS should be reviewed to establish whether automated posting is possible.</p> <p>In addition procedure notes should be drawn up to allow other individuals to carry out the process in the absence of key personnel.</p>	<p>Agreed</p> <p>The introduction of a dedicated rentals team as part of the new structure will ensure that personnel are trained in all activities.</p> <p>Automated posting is to be investigated.</p>	<p>Phillip Ralph 30 June 2008</p>	<p>Implemented</p>

Appendix 1 - Terms of Reference

Internal audit 2008/09

Housing Rents Review

November 2008

Objectives and deliverables

Objectives

Our objective is to undertake a review of Housing Rents to ensure an adequate level of controls exist over the setting, collection and accounting of Housing Rents.

Deliverables

Our deliverable will be a report detailing our findings with regard to our assessment of the level of control in place over Housing Rents and the level of assurance we can place on the control environment.

Our scope and approach

Our work will focus on identifying the guidance, procedures and controls in place to mitigate key risks through:

- Documenting the underlying guidance, policy and processes in place and identifying key controls.
- Considering whether the policies and procedures in place are fit for purpose
- Testing key controls.

The key points that we will focus on are:

- All payments are receipted completely, accurately and in a timely fashion;
- Reconciliations of the housing systems to the cash received and general ledger systems are performed on a regular basis and are appropriately reviewed by senior management;
- The annual calculation of rent debit is performed promptly and is reconciled to property records to ensure accuracy;
- Any changes to housing stock are recorded and supported by a clear audit trail;
- Debt collection, recovery and write-off procedures are sufficient to ensure that delay in receiving rent payments and loss of income is minimised. Arrears are monitored on a regular basis;
- Rent rebates are calculated correctly and supported by appropriate evidence;
- Rent increases are implemented promptly and accurately for all tenants, and have been appropriately approved;
- Management information is adequate to support prediction of rent trends and key performance indicators are set and monitored;
- The IT system is appropriately secure with only authorised personnel able to alter Housing Rents parameter files; and
- Adequate arrangements are in place for dealing with potential fraud.

We will discuss our findings with the Head of Finance (and any other nominated representatives) to develop recommendations and action plans. A draft report will be issued to the Assistant Head of Finance and any other relevant officers for review and to document management responses.

Limitations of Scope

None identified.

Stakeholders and responsibilities

Role	Contacts	Responsibilities
Head of Finance	Gavin Chambers	<ul style="list-style-type: none"> Review and approve terms of reference
Interim Housing Services Manager	Tim Ansell	<ul style="list-style-type: none"> Review and meet to discuss issues arising and develop management responses and action plan
Rent Income Team Leader	Phillip Ralph	<ul style="list-style-type: none"> Review draft report.
Northgate Kendrick Ash	Matthew Arnold	<ul style="list-style-type: none"> Review final report.

Our timetable and team

Engagement Leader	Mark Jones
Engagement Manager	Chris Dickens
Team Leader	Mundip Sohal
Auditor	Matthew Plummer

Steps	Date
TOR approval	24 October 2008
Fieldwork commencement	10 November 2008
Feedback of issues arising	To be agreed
Draft report of findings issued	To be agreed
Receipt of Management response	To be agreed
Final report of findings issued	To be agreed

Budget

Our budget for this assignment is 10 days. If the number of days required to perform this review increases above the number of days budgeted, we will bring this to management attention as our quoted fee may require re-assessment.

Appendix 2 - Assurance ratings

Level of assurance	Description
High	<p>No control weaknesses were identified; or</p> <p>Our work found some low impact control weaknesses which, if addressed would improve overall control. However, these weaknesses do not affect key controls and are unlikely to impair the achievement of the objectives of the system. Therefore we can conclude that the key controls have been adequately designed and are operating effectively to deliver the objectives of the system, function or process.</p>
Moderate	<p>There are some weaknesses in the design and/or operation of controls which could impair the achievement of the objectives of the system, function or process. However, either their impact would be less than significant or they are unlikely to occur.</p>
Limited	<p>There are some weaknesses in the design and / or operation of controls which could have a significant impact on the achievement of key system, function or process objectives but should not have a significant impact on the achievement of organisational objectives. However, there are discrete elements of the key system, function or process where we have not identified any significant weaknesses in the design and / or operation of controls which could impair the achievement of the objectives of the system, function or process. We are therefore able to give limited assurance over certain discrete aspects of the system, function or process.</p>
No	<p>There are weaknesses in the design and/or operation of controls which [in aggregate] could have a significant impact on the achievement of key system, function or process objectives and may put at risk the achievement of organisation objectives.</p>

In the event that, pursuant to a request which Northampton Borough Council has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PricewaterhouseCoopers (PwC) promptly and consult with PwC prior to disclosing such report. Northampton Borough Council agrees to pay due regard to any representations which PwC may make in connection with such disclosure and Northampton Borough Council shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, Northampton Borough Council discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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Appendices



NORTHAMPTON
BOROUGH COUNCIL

Item No. 8. (B)

Westbridge Stores

AUDIT COMMITTEE REPORT

Report Title

**PROPERTY MAINTENANCE INTERNAL AUDIT UPDATE
REPORT – Westbridge Stores**

AGENDA STATUS:

PUBLIC

Audit Committee Meeting Date:

17th February 2009

Policy Document:

Directorate:

Housing

Accountable Cabinet Member:

Cllr S. Beardsworth

1. Purpose

To update the committee on the progress of recommendations by Audit in respect of 06_07 Audit report regarding Stores.

2. Recommendations

To note the progress made in respect of this Audit report by Housing Property Maintenance.

3. Issues and Choices

3.1 Report Background

At the last Audit Committee held on 2.12.08, a verbal update was received in respect of this Audit report.

As part of an on-going review within Property Maintenance, the majority of issues highlighted in the Stores Audit report dated June 07 have been dealt with.

3.2 Issues

The recommendations have all now been appropriately dealt with, implemented and updated on Team Central with the exception of the following recommendations, which are:

- Annual budget review process
- Inflexibility of Uniclass
- Stock control reports

Stores have recently been transferred to the control of the Property Maintenance Manager, and more precisely, under the control of the Business Support Team Leader.

The newly established Business Support Team was created to focus on systems and processes within Property Maintenance and to ensure strict adherence to Corporate policies and procedures.

Business Support have recently completed a full stock audit in this area, the results of which will show that we have the capability to produce accurate and meaningful management reports. These reports will be used as part of the reconciliation process between Uniclass and the corporate ledger.

3.3 Choices (Options)

4. Implications (including financial implications)

4.1 Policy

With the introduction of meaningful management reports, the process of reconciliation can be undertaken on a more regular basis rather than the traditional annual stock audit.

4.2 Resources and Risk

Although the implementation of Audits recommendations is not fully complete, Property Maintenance is working together with Finance and Systems to ensure a robust system is implemented.

4.3 Legal

There are no specific legal implications in this report.

4.4 Equality

There are no specific equality implications arising from this report.

4.5 Consultees (Internal and External)

The Technical Finance Manager will provide guidance on the change in delivering the service with regard to systems and procedures.

4.6 Other Implications

Not applicable

5. Background Papers

June 2007 Audit report

Report Author:

Appendices



Item No. 8. (C)
Electrical Services

NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	PROPERTY MAINTENANCE INTERNAL AUDIT UPDATE REPORT – Electrical Services Overtime Update Report
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	17 th February 2009
Policy Document:	
Directorate:	Housing
Accountable Cabinet Member:	Cllr S. Beardsworth

1. Purpose

To update the committee on the progress of recommendations by Audit in respect of 07_08 NBC21 - Electrical Services overtime review.

2. Recommendations

To note the progress made in respect of this Audit report by Housing Property Maintenance.

3. Issues and Choices

3.1 Report Background

At the last Audit Committee held on 2.12.08, a verbal update was received in respect of this Audit report.

An Electrical Audit report was produced in July 2008 as part of a review of several areas of service within Property Maintenance raised by the Interim Head of Service. This report highlighted several areas of concern and made a number of recommendations, which can be seen in appendix 5.1.

3.2 Issues

The recommendations have all now been appropriately dealt with, implemented and updated on Team Central with the exception of a recommendation highlighting inappropriate working arrangements.

In dealing with all the recommendations, Property Maintenance have introduced strict internal pre and post approval processes, which are now carried out by three different individuals, thus ensuring a strict segregation of duties. Each of these individuals is an authorised signatory and all records are now held within the newly established Business Support Team records, within Property Maintenance.

With regard to inappropriate working arrangements, the Audit report recommended examining alternative arrangements for dealing with out of hours type work. It was suggested that this may be carried out through either a shift system, or, extended working hours. To date this recommendation interfaces with the Audit report on call out. Call out is currently an item, which will be discussed with the Trades Unions as part of the 2009 Pay and Productivity deal for all trades.

Extended hours are currently being explored, to the extent that the tenants' sounding board have been consulted on tenants' desire to extend the working day for repairs. This consultation resulted in a very high percentage of support for extending the working day. However, this aspect, along with call out generally, is still under discussion with the appropriate Trades Unions. It not anticipated that this element of the agreement will be concluded prior to March 2009.

3.3 Choices (Options)

The options open to the Council form part of the ongoing negotiations with the appropriate Trades Unions in respect of the Trades Pay and Productivity Agreement for 2009. These particular aspects of dealing with out of hours work have yet to be discussed in detail in the negotiations, and will also form part of the Property Maintenance response to the review on call out. Any such agreement will have to be authorised by both the Council and the Trades Unions.

4. Implications (including financial implications)

4.1 Policy

There are implications under the European Working Time Directive that need to be considered and these will form part of the above-mentioned negotiations.

4.2 Resources and Risk

In implementing the recommendations of the Audit report there has been a reduction in the amount of overtime hours worked, and processes are now appropriately established. Specific risks identified would be failing to come to an agreement with the appropriate Trades Unions with regard to the future of call out, however, this would not have a direct impact on tenant's needs.

4.3 Legal

There are no specific legal implications in this report.

4.4 Equality

There are no specific equality implications arising from this report.

4.5 Consultees (Internal and External)

The head of Human Resources will provide guidance on any change in delivering the service with regard to either extended hours, or, changes in call out. It will also require consultation with the appropriate Trades Unions.

4.6 Other Implications

Not applicable

5. Background Papers

July 2008 Audit report

Report Author:

Appendices

1



NORTHAMPTON
BOROUGH COUNCIL

Item No.

9 (a)

AUDIT COMMITTEE REPORT

Report Title	Write-off Financial Instruction
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	17 th February 2009
Policy Document:	No
Directorate:	Finance & Support
Accountable Cabinet Member:	Councillor Malcolm Mildren

1. Purpose

1.1 This report introduces and puts into context, the attached Write-off Financial Instruction as requested by Audit Committee.

2. Recommendations

2.1 To note this report.

2.2 To consider and give an opinion on the proposed write-off methodology and the authorisation levels contained in the Financial Instruction.

3. Issues and Choices

3.1 Report Background

3.1.1 The Audit Committee has requested a Financial Instruction on write-off procedures and rules.

3.1.2 Financial Regulations, as part of the constitution, makes provision for the Director of Finance and Support to release Financial Instructions. These financial instructions will be in more detail and more operational than the Financial Regulations but they carry the same weight as the Financial Regulations themselves and, once issued, must be complied with.

3.1.3 Audit Committee is therefore requested to consider this Financial Instruction and pass comment on it. These comments will be considered and the Financial Instruction amended accordingly prior to being issued by the Director of Finance and Support.

3.2 Financial Instruction Contents

3.2.1 The process of applying for write-off is set down. A key point to note is that the Director of Finance and Support or nominated representative must approve all write-offs prior to them being actioned.

3.2.2 All valid reasons for write-off are listed in the Instruction. This includes a description of what condition the debt is expected to be in if that reason is to be accepted as valid. In all instances, full backup documentation must accompany the request for write-off.

3.2.3 The Financial Instruction contains write-off authorisation levels and values. Audit Committee are specifically asked to consider these and give an opinion on whether the levels and the reporting lines contained in the instruction are considered appropriate.

4. Implications (including financial implications)

4.1 Policy

4.1.1 Not applicable.

4.2 Resources and Risk

4.2.1 The appropriate write-off of debt is crucial to good debt management. Debt should not be written off if it is collectible, however it is not appropriate to maintain the debt if there is little or no chance of payment and resources could be directed elsewhere.

4.2.2 If debt has to be written off due to poor supporting information, additional investigation is necessary to discover why the documentation is poor and to prevent a similar issue arising in the future.

4.3 Legal

4.3.1 Some debt must be managed in specific ways, i.e. Housing Benefit Overpayments, and it is crucial that debt management incorporates statutory requirement.

4.3.2 Heed must be taken of statute barred debt.

4.4 Equality

4.4.1 Not applicable.

4.5 Consultees (Internal and External)

4.5.1 None

4.6 Other Implications

4.6.1 None

5. Background Papers

5.1 Financial Instruction on debt write-offs.

Report Author: Bill Lewis
Assistant Head of Finance
Ext 7167

FINANCIAL INSTRUCTION

Write-Offs

1. Overview & Background

- 1.1 The rules around all debt write-offs at Northampton Borough Council are governed by this Financial Instruction. The final approver of write-offs will be the Director of Finance and Support, in his / her role of Chief Financial Officer.

2. Scope

- 2.1 Where reference is made to the Director of Finance and Support within this document, that shall extend to any nominated representative of the Director of Finance and Support.
- 2.2 This Financial Instruction covers all operations and systems for raising and recording debt throughout the Council.
- 2.3 For the purpose of this Financial Instruction and the procedures underpinning it, the term 'Write-Off' shall include all housing benefit overpayments that cannot legally be pursued.
- 2.4 This write-off instruction outlines the circumstances where debt will be submitted for write-off, and all members of staff must adhere to the rules set out in this instruction.

3. Instructions

3.1 Write-off Process

- 3.1.1 A write-off will only be considered once all debt recovery processes possible for that debt have been completed.
- 3.1.2 All proposals for write-offs must be recorded on the standard write-off form (Appendix A). This is the existing form, however, the process will be reviewed in light of this financial instruction and processes/forms amended as necessary. All write-offs will be approved within the departments concerned prior to submitting to the Director of Finance and Support for final approval. Authorisation levels for Write-Off are shown at 3.3 below. No write-off may be actioned on the Council's systems prior to this approval being received.
- 3.1.3 Write-Offs will only be considered for one of the reasons detailed in 3.2 below.
- 3.1.4 All authorised write-offs will be input into the relevant computer system or recorded in the relevant manual records. An audit trail of all recovery actions will be maintained on those systems. The write-off documentation will be retained and a reconciliation between the

Northampton Borough Council

authorised write-off forms and the computer / manual debt recording system shall be maintained.

- 3.1.5** In any case, if the debt becomes collectible again, for whatever reason, the debt will be written back onto the Council's systems and will be pursued through the normal debt recovery processes.

3.2 Reasons for Write-off

The accepted reasons for Write-off are shown below. These are shown in order, starting with the most compulsive.

3.2.1 Debt Uncollectible (Housing Benefit Overpayment Debt only)

The Overpayment has occurred through Local Authority error and is not legally recoverable from the claimant. Legally this does not constitute debt and must be removed from debtor and account balances and the cost of the loss be borne by the Local Authority.

3.2.2 Agreed Settlement Figure

Where a lower amount than the original debt balance has been agreed in order to gain settlement of a matter, often in the case of a dispute over the value rather than the service received, this reason can be used. Full evidence and reasoning of why the full balance cannot be recovered must accompany the write-off paperwork.

3.2.3 Debtor Deceased

All accounts will be subject to review and every effort made to establish the Executor of the estate and to obtain payment from the estate in accordance with legislation. Where no executor can be established, or there is insufficient monies in the estate to settle debts the outstanding amount will be written off.

3.2.4 Untraceable Debtor

All arrears that require tracing activity to be carried out will be passed to the Council's approved debt collection agency(ies), who will attempt to recover the debt in full. In circumstances where they are unable to trace the whereabouts of the debtor, the agency will return the case to the Council with a recommendation that the debt is written-off. These cases must be returned by the agency in accordance with the timescales set out in the Contractual Agreements for each type of debt, and will be written-off within two working days of receiving the recommendation from the agency.

If the whereabouts of the debtor is established after the debt has been written-off, then the relevant amount will be written back on to the account, unless it is statute barred, and recovery procedures re-commenced.

3.2.5 Bankruptcy / Insolvency / Administration Order

Where a formal Bankruptcy Order, or Individual Voluntary Arrangement (IVA), is made against the liable person, the balance outstanding up to

Northampton Borough Council

and including the date of the order will be submitted for write-off. A claim for this amount will be submitted to the Trustee. In the event of a dividend being paid by the Trustee, this amount will be written back on to the account.

In circumstances where joint liability exists, the remaining party will be pursued for whole amount of the arrears.

Where an Administration Order is granted by the Court, all balances on the account will be submitted for write-off. Payments made in excess of the order will be written back on to the account.

Records of all debts written off through Bankruptcy / Insolvency / Administration Orders will be maintained by the Section responsible for the management of the debt.

3.2.6 Disputed / Unresolved Query

Where a debt has been disputed and it is found that there is not adequate supporting documentation for the debt, the debt shall be written off. A report shall be written to the Director of Finance and Support explaining why there are no records to support a debt which has been raised.

3.2.7 Balance Uneconomical to Pursue

Different types of debt will have different economical limits, and these will be specified separately by the Director of Finance and Support. Debt balances that have remained outstanding and unchanged for a period of 6 months (e.g. no payments received or no change in liability) and are less than the economical limit will be written-off providing that it can be demonstrated that full recovery processes have been adhered to.

3.2.8 Extenuating Circumstances

The debtor may have extenuating circumstances whereby it may not be in the best interests to pursue the debt or all of the debt due to the personal circumstances of the debtor(s).

Examples of where this category of write-off may apply are: - severe disability; ill health; old age; death of partner; long term recipient of income support / incapacity benefit; other extenuating personal circumstances.

3.2.9 Statute Barred

Where there has been no communication from the customer for six years, the debt becomes statute barred. This debt is legally uncollectible and will be written off. Debt should only reach this position in exceptional circumstances; normally debt will be collected or written off under the other criteria.

3.2.10 Recovery procedures exhausted

For cases where all recovery procedures have been pursued and have failed, the outstanding balance will be written off. Any write-off falling into

Northampton Borough Council

this category will be heavily scrutinised to ensure that the write-off is valid and the reason is accurate and not due to poor practices or processes.

3.3 Authorisation

All debt proposed for write-off must be approved by the responsible department in the first instance. If a debt has been through the recovery process and a valid reason for write-off, as defined above, has been identified, the responsible department must provide evidence of collectibility to justify not authorising the write-off. The final arbiter of any dispute between the debt management team and the responsible department shall be the Director of Finance and Support.

The process for authorisation of write-offs is dependent upon the value of the debt. This is defined below. Currently there are only one set of values; it may be considered appropriate in the future to have different levels of authorisation for different types of debt and if this is the case, this Financial Instruction will be amended to reflect that. In all instances, the write-off of debt must be authorised by the Director of Finance and Support prior to being actioned.

3.3.1 Value less than £100

In these instances the evidence must be prepared giving the facts of each case and the reason for the proposed write-off for consideration by a Team Leader in the service area concerned. The Team Leader will consider the merits of the case and may endorse the Write-off form and thereby authorise the write off. These must be batched by the relevant debt recovery team using the summary template provided and submitted to the Director of Finance & Support .

3.3.2 Value more than £100 but less than £9,999

In these instances the evidence must be prepared giving the facts of each case and the reason for the proposed write-off for consideration by a Manager in the service area concerned. The Manager will consider the merits of the case and may endorse the Write-off form and thereby authorise the write off. These must be batched by the relevant debt collection team and using the summary template, be signed if deemed appropriate, by the Head of Service and the Director of Finance & Support (on the front summary sheet). Any individual amount over £2,500 should be on a separate form and will need authorising by the respective Head of Service prior to being submitted to the Director of Finance & Support.

3.3.3 Individual indebtedness Debt Valued £10,000 or more

Where the value of debt to the Council carried by a customer is £10,000 or more, (including the debt being proposed for write-off), a report must be produced for Cabinet by the Service Department justifying the reasons for write-off and Cabinet approval must be received prior to any write-off being actioned. These must be signed off by the relevant service

Northampton Borough Council

manager and where deemed appropriate for write off, by the Head of Service, Director and the Director of Finance & Support on the summary template, prior to being submitted to Cabinet.

These Cabinet reports will be subject to the normal call over and approval process.

The above values are subject to monitoring and review in year and can be altered as deemed necessary by the Director of Finance & Support. The Audit Committee will be advised of any alterations to this.

4. Reporting

4.1 Cabinet

Summary of all write-offs will be presented to Cabinet as part of the revenue monitoring report. Where the value of debt to the Council carried by a customer values £10,000 or more, a report must be prepared for Cabinet as detailed in 3.3.3 above.

4.2 Audit Committee

Audit Committee shall receive reports on a regular, at least annually, detailing the amounts of debt written off, the types of debt written off, and the reasons for those write-offs. Audit Committee may then, as it sees fit, scrutinise those write-offs more closely. This does not form part of the authorisation route for write-offs but forms part of the governance of Council processes and procedures.

5. Specific Responsibilities

5.1 Cabinet

5.1.1 Approval of write-offs over specified limits.

5.2 Chief Executive

5.2.1 None

5.3 Directors

5.3.1 To approve write-off requests presented to Cabinet or Director of Finance and Support.

5.3.2 To ensure that procedures for write-offs within their department follow the rules laid out in this Financial Instruction and are applied in a timely and consistent manner.

5.4 Director of Finance and Support.

5.4.1 To approve or reject write-offs as appropriate

5.4.2 To update the Write-off Form from time to time which will be attached as an appendix to this Financial Instruction.

Northampton Borough Council

5.4.3 To ensure that Internal Audit checks the compliance with Financial Instructions within their audit programme. There will be spot checks of write-offs.

5.5 Heads of Service

5.5.1 To approve or reject write-offs as appropriate

5.5.2 To produce reports to Cabinet on write-offs as appropriate

5.5.3 To attend Audit Committee to answer questions on write-offs from within their department.

5.5.4 To ensure officers within their department adhere to this Financial Instruction

5.6 Officers

5.6.1 To adhere to this Financial Instruction

Reference: -

Northampton Borough Council Constitution (**Constitution Reference**)

Appendices: -

ARAPP1 Write-off Proforma

NORTHAMPTON BOROUGH COUNCIL

WRITE OFF FORM

**To be used as part of the Council's Write Off Procedures for
Council Tax, Overpaid Housing Benefit, Housing, Former Tenant Arrears and Sundry Debtors**

PART 1: CUSTOMER DETAILS

Customer Ref: _____ Customer Account: _____

Name / Company: _____

Property: _____

Address: _____

PART 2: REASON FOR WRITE OFF

(1) Deceased	<input type="checkbox"/>	(6) Balance uneconomical to pursue	<input type="checkbox"/>
(2) Unable to trace whereabouts	<input type="checkbox"/>	(7) Extenuating circumstances	<input type="checkbox"/>
(3) Bankruptcy / Insolvency / Administration	<input type="checkbox"/>	(8) Statute Barred	<input type="checkbox"/>
(4) Recovery Procedures exhausted	<input type="checkbox"/>	(9) Local authority error	<input type="checkbox"/>
(5) Disputed / Unresolved Query	<input type="checkbox"/>	(10) Agreed Settlement figure	<input type="checkbox"/>

Please tick appropriate box and supply necessary paperwork to substantiate write off.

Service departments must submit a report to Cabinet for amounts in excess of £10,000

PART 3: SECTION AUTHORISATION

Originating Officer	Authorised by Team Leader / Manager
Signed: _____	Signed: _____
Date: _____	Date: _____
PRINT NAME: _____	PRINT NAME: _____
JOB TITLE: _____	JOB TITLE: _____

PART 4: AUTHORISATION BY FINANCE

Corporate Financial Officer: _____

Signed: _____ Dated: _____

PART 5: INPUT ADJUSTMENT & NOTEPAD ONTO COMPUTER SYSTEMS FOR AN AUDIT TRAIL

Internal Reference: _____

Originating Officer: _____ Date: _____

Appendices



NORTHAMPTON
BOROUGH COUNCIL

Item No.
[Item number and
title as on agenda]

AUDIT COMMITTEE REPORT

Report Title	Internal audit progress report
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	19 February 2009
Policy Document:	NO
Directorate:	Governance and Improvement
Accountable Cabinet Member:	Malcolm Mildren

1. Purpose

1.1 To provide the Audit Committee with a report summarising progress made against the approved internal audit plan.

2. Recommendations

2.1 Receive the report.

3. Issues and Choices

3.1 Report Background

3.1.1 Introduction

The report is produced to inform the Committee on internal audit activity in the current year up to the date of the Committee meeting. The report will give an update on reports issued and recommendations made as well as highlighting any issues that are considered appropriate to bring to the attention of the Committee.

3.1.2 Plan Outturn

We have undertaken work in accordance with the 2008/09 Internal Audit Plan which was presented to and approved by the Audit Committee at its meeting in February 2008.

An outturn statement detailing assignments undertaken and actual activity for the year is shown in Appendix One. This shows that we have almost completed all of the reviews and reported findings to management. All outstanding reviews have been planned and will be completed before the years end.

3.1.3 Reporting and activity progress

Final reports

The following reports have been issued in Final since the previous Audit Committee Meeting.

- 08/09 NBC 03 Freedom of Information and Data Protection
- 08/09 NBC 07 Treasury Management

2008/09 Draft reports:

We have issued the following reports in draft format and are awaiting management responses:-

- **08/09 NBC 08 Car Parking** – A review of the controls over the collection, banking and monitoring of car parking income was performed. Given the manner in which the service was being managed and delivered we gave **No Assurance** over this area.
- **08/09 NBC 09 Housing Management (Temporary Accommodation)** – A review of the controls in place for securing and placing clients into Temporary Accommodation was undertaken. Overall we gave **No Assurance** over this area.
- **08/09 NBC 10 Housing Rents** – A review over the controls in place for the setting, collection and accounting for Housing Rents was performed. Given the number and type of issues identified we gave **No Assurance** over this area.
- **08/09 NBC 11 General Ledger** – A review of the controls and processes in place for the maintenance of the General Ledger system was undertaken. Overall we were only able to provide a **Limited** level of assurance due to weaknesses identified and also due to the fact that 8 out of the 11 prior year recommendations made were either still outstanding or had only been partially addressed.
- **08/09 NBC 12 Creditors** – We undertook a review of the creditors raised through the main Agresso system and Uniclass system at Westbridge. Given the marked differences between the controls in operation between the two systems we have given separate assurance ratings below:
 - Agresso - **Moderate** level of assurance
 - Uniclass – **No Assurance**
- **08/09 NBC 13 Council Tax** – Our review of the controls and processes in place within the Council Tax function found that improvements have been made year on year which has resulted in us being able to give a **Moderate**

level of assurance as opposed to Limited level which was given in the previous year.

- **08/09 NBC 14 Fixed Assets** – The review focused on the controls in place to ensure that assets are adequately safeguarded and correctly valued and recorded with the financial accounts. Overall we gave **No Assurance** over this area with one issue being identified as critical, namely that information on a number of capital transactions for 2008/09 had not been posted on AIRS the fixed asset system. Based upon the sample testing performed, in our opinion this weakness could have a significant impact on the achievement of the following organisation objectives:
 - safeguarding assets; and
 - the preparation of reliable financial and operational information.

This weakness should be considered a 'Significant Control Issue' for the purpose of your Annual Governance Statement.

- **08/09 NBC 15 Payroll** – The review of payroll system identified that only 6 out of the 19 prior year issues were found to have been addressed. Overall we gave **No Assurance** over this area.

2008/09 Fieldwork completed

We have completed our fieldwork in the following areas:-

- **Debtors**

Other work performed

We have undertaken further work on Risk Management which included:

- Facilitation of a strategic risk workshop to the Council's Management Board to be held on Monday 9 February 2009.
- Provision of ongoing advice and support to the Council's Interim Risk Manager with regards the revision and updating of the Council's risk management framework;
- Preparation of material and presentation to Council Members held on 13 November 2008.

We were also asked by management to undertake additional work in the following areas:

- Leisure Centre Income
- Fuel monitoring and usage
- Investigation into suspension of employee

3.2 Issues

3.2.1 As detailed in the report

3.3 Choices (Options)

3.3.1 N/a

4. Implications (including financial implications)

4.1 Policy

4.1.1 No implications other than enabling monitoring of internal audit reporting performance.

4.2 Resources and Risk

4.2.1 Risks may be highlighted as a result of audit issues being reported.

4.3 Legal

4.3.1 N/a

4.4 Equality

4.4.1 N/a

4.5 Consultees (Internal and External)

4.5.1 Director of Finance and Head of Finance

4.6 Other Implications

4.6.1 N/a

5. Background Papers

5.1 Appendices to the report

- Appendix 1 - Progress against approved plan
- Appendix 2 – Summary of recommendations made
- Appendix 3 – TeamCentral report extract

5.2 Other individual internal audit reports are available if required.

Chris Dickens
Senior Manager
PricewaterhouseCoopers LLP
01509 604041

Appendix One

Planned activity	Planned days	Actual days	Status
1. Core Financial Systems – Fundamental assurance			
▪ General Ledger	8	8	Draft report
▪ Debtors	10	10	Fieldwork completed
▪ Creditor Payments	10	10	Draft report
▪ Payroll	10	10	Draft report
▪ Budgetary Control	10	10	Fieldwork completed
▪ Council Tax	10	10	Draft report
▪ Non Domestic Rates (NDR)	5	5	Final report
▪ Bank Reconciliations	10	2	Deferred at management request (March 09)
▪ Cashiers	8	8	Draft report
▪ Treasury Management	5	5	Final report
▪ Housing Benefits	10	2	Fieldwork
▪ Fixed Assets	5	5	Draft report
▪ Housing Rents	10	10	Draft report
▪ Expenses (including members)	10	10	Draft report
▪ IFRS Healthcheck	5	0	March 2009
▪ VAT	10	10	Draft report

Planned activity	Planned days	Actual days	Status
2. Operational system reviews – risk based assurance			
▪ Human Resources	20	2	Planning meetings held scope to be agreed 16 Feb
▪ Regeneration	10	2	February 2009
▪ Westbridge DLO	20	10	Call Out Arrangements (draft issued)
		10	Fuel usage - Fieldwork completed
▪ Housing Management	8	8	Draft report
▪ Procurement/VFM	10	1	March 09
▪ Freedom of Information and Data Protection	10	10	Final report
▪ Concessionary fares	10	1	February 2009
▪ Environmental Health	5	5	Final report
▪ ICT audits	20	4	Fieldwork (Agresso upgrade)

Planned activity	Planned days	Actual days	Status
3. Strategic – performance assurance			
<ul style="list-style-type: none"> ▪ Risk management (including fraud risk management assessment) ▪ Governance – management information ▪ Performance management and improvement delivery 	15	25	Completed (Final workshop Mon11 Feb)
	15	5	Ongoing
	15	0	March 2009

Planned activity	Planned days	Actual days	Status
4. Other			
<ul style="list-style-type: none"> ▪ Specific follow up reviews: <ul style="list-style-type: none"> ➤ Contract Audit (Capital Programme) and Legal Services ➤ Grants to voluntary bodies ▪ General follow up ▪ NFI ▪ Contingency ▪ Audit Management 	8	4	February 2009
	10	10	TeamCentral maintenance and follow up
	12	6	Data matches being investigated
	35	34	See below
	18	16	
Total	377	268	
Additional work			
<ul style="list-style-type: none"> ▪ Grants verification work ▪ Under/overs ▪ Car Parking ▪ Leisure Centre Income ▪ Petty Cash ▪ Investigation 	4	4	Completed
	2	2	Completed
	10	10	Draft report
	10	10	Field work completed
	-	-	Planned Feb 09
	12	8	Ongoing





Appendix Two

Assignment	Critical	High	Medium	Low	Total	Overall assurance rating
08/09 NBC 01 Cashiers*	0	0	8	11	19	Limited
08/09 NBC 02 Expenses (including members)*	0	0	4	7	11	Moderate
08/09 NBC 03 Freedom of Information and Data Protection*	0	1	11	5	17	Limited
08/09 NBC 04 Environmental Health	0	0	2	5	7	Moderate
08/09 NBC 05 Non Domestic rates	0	0	1	5	6	High
08/09 NBC 06 Call Out Arrangements*	0	3	7	0	10	No Assurance
08/09 NBC 07 Treasury Management	0	0	2	6	8	Moderate (with improvement)
08/09 NBC 08 Car Parking*	0	6	8	1	15	No Assurance
08/09 NBC 09 Temporary Accommodation*	0	4	5	2	11	No Assurance
08/09 NBC 10 Housing Rents*	0	5	8	1	14	No Assurance
08/09 NBC 11 General Ledger*	0	0	6	6	12	Limited Assurance
08/09 NBC12 Creditors*	0	1	10	5	16	Agresso – Moderate Uniclass – No Assurance
08/09 NBC 13 Council Tax*	0	0	3	4	7	Moderate
08/09 NBC 14 Fixed Assets*	1	0	7	4	12	No Assurance
08/09 NBC 15 Payroll*	0	3	11	8	22	No Assurance
Total	1	23	93	70	187	

(* denotes that report has been issued in draft and as such findings and assurance rating yet to be finalised.)

Our assessment criteria are shown below:

Each of the issues identified has been categorised according to risk as follows:

Risk rating	Assessment rationale
 Critical	Control weakness that could have a significant impact upon, not only the system, function or process objectives but also the achievement of the Authority's objectives in relation to: <ul style="list-style-type: none"> • the efficient and effective use of resources • the safeguarding of assets • the preparation of reliable financial and operational information • compliance with laws and regulations.
 High	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisation objectives.
 Medium	Control weakness that: <ul style="list-style-type: none"> • has a low impact on the achievement of the key system, function or process objectives; • has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.
 Low	Control weakness that does not impact upon the achievement of key system, function or process objectives; however implementation of the recommendation would improve overall control.

Overall assurance rating:

Level of assurance	Description
High	Our work found some low impact control weaknesses which, if addressed would improve overall control. However, these weaknesses do not affect key controls and are unlikely to impair the achievement of the objectives of the system. Therefore we can conclude that the key controls have been adequately designed and are operating effectively to deliver the objectives of the system, function or process.
Moderate	There are some weaknesses in the design and/or operation of controls which could impair the achievement of the objectives of the system, function or process. However, either their impact would be less than high or they would be unlikely to occur.
No	There are weaknesses in the design and/or operation of controls which [in aggregate] have a significant impact on the achievement of key system, function or process objectives and may put at risk the achievement of organisation objectives.

Appendix Three

TEAMCENTRAL

Year	Number of recommendations made	Implemented / Closed	Outstanding
2006/07	225	210	15
2007/08	186	144	42 (10 not yet due)
2008/09	35	7	28 (12 not yet due)

The table below shows the position as at 31 January 2009.

Note:

- The table below does not show those reviews which no longer have current recommendations outstanding.
- Only finalised reports are being tracked through TeamCentral
- Management have not had chance to provide updates for 2008/09 recommendations.

Review and number of recommendations made as at Jan 09	Outstanding and overdue	Not yet due	Imp. awaiting verification	Closed
Project : 06_07 Business Continuity Planning, IT Disaster Recovery - Business Continuity Planning, IT Disaster Recovery (6)	4	-	-	2
Project : 06_07 HR & Payroll System Implementation Review - HR / Payroll System Implementation Review (10)	-	-	8	2
Project : 06_07 Human Resources - HR (11)	1	-	1	9
Project : 06_07 Performance Indicator review - Performance Indicator review (16)	3	-	7	6
Project : 06_07 Review of Procurement Strategy - Review of Procurement Strategy (19)	-	-	11	8
Project : 06_07 Westbridge Procurement-follow up - Westbridge Procurement-follow up (5)	4	-	1	-
Project : 06_07 Westbridge Stores - follow up - Westbridge Stores - follow up (11)	3	-	8	-
Project : 07_08 NBC 03 - Council Tax (6)	-	-	6	-
Project : 07_08 NBC 04 - Voids Management (6)	-	-	5	1
Project : 07_08 NBC 06 - Cashiers (7)	-	-	6	1
Project : 07_08 NBC 09 - Payroll (19)	4	-	13	2
Project : 07_08 NBC 10 - Creditors (12)	3	-	5	4
Project : 07_08 NBC 11 - General Ledger (11)	-	1	10	-
Project : 07_08 NBC 12 - Debtors (18)	-	-	13	5
Project : 07_08 NBC 13 - Housing Benefits (15)	-	-	14	1
Project : 07_08 NBC 14 - Fixed Assets (12)	4	1	5	2
Project : 07_08 NBC 15 - Budgetary Control (5)	1	-	1	3
Project : 07_08 NBC 16 - Bank Reconciliations (18)	5	-	13	-
Project : 07_08 NBC 17 - Comms-Citizen Engagement & Partnership Follow up (9)	2	5	-	2
Project : 07_08 NBC 18 - Planning Applications (9)	5	-	4	-
Project : 07_08 NBC 21 - Electrical Services (11)	3	-	3	5
Project : 07_08 NBC 22 - Contract & Legal Services (8)	1	3	2	2
Project : 07_08 NBC 23 - Health & Safety (9)	4	-	-	5
Project : 08_09 NBC 02 - Freedom of Information & Data Protection (15)	-	11	4	-
Project : 08_09 NBC 04 - Environmental Health (6)	2	1	3	-
Project : 08_09 NBC 05 - Non-Domestic Rates (NDR) (6)	6	-	-	-
Project : 08_09 NBC 07 - Treasury Management (8)	8	-	-	-

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Draft Internal Audit Plan	Source	2009/10
<i>Core systems reviews</i>		
General Ledger	Managed Audit	8
Debtors	Managed Audit	8
Creditors	Managed Audit	10
Payroll	Managed Audit	10
Budgetary Control (including cost savings)	Managed Audit	8
Council Tax	Managed Audit	8
National Non Domestic Rates	Managed Audit	6
Bank Reconciliations	Managed Audit	10
Cashiers	Managed Audit	8
Treasury Management (Economic Downturn)	Managed Audit	8
Housing Benefits	Managed Audit	10
Miscellaneous Income	Internal Audit	5
PAYE	Internal Audit	10
Fixed Assets	Managed Audit	6
Housing Rents	Managed Audit	8
IFRS Healthcheck	Internal Audit	5
<i>Total core systems</i>	136 (last year)	128

	Source	2009/10
<i>Risk based assurance reviews</i>		
Legal Services	Risk register	10
Human Resources (to include use of Agency workers)	Management	15
Development control and Planning Applications	Director Risk Register	10
BCP arrangements	Strategic Plan	5
Westbridge DLO (grounds maintenance, Caretaking)	Strategic Plan	15
Void Management	Management & Strategic Risk Register	7
Contract Audit (Capital Programme – PFI bid to meet decent homes)	Councillors & Strategic Plan	10
Partnerships	Risk Register & Strategic Plan	10
Citizen Engagement – (Resident involvement)	Director & Strategic Plan	8
Health & Safety	Strategic Plan	8
Home renovation grants	Strategic Plan	10
ICT audits	Strategic Plan & Risk Register	20
<i>Total operational systems reviews</i>	113 last year	128

		2009/10
<i>Strategic – performance assurance</i>		
Risk Management		10
Governance		10
Performance Management and improvement		10
Anti Fraud & Corruption		15
<i>Total strategic – performance assurance</i>	45 (last year)	45
<i>Other</i>		
Follow up	18	15
NFI	12	12
Audit Management	18	18
<i>Total Other</i>		45
Total	<i>377(last year)</i>	<i>346</i>
Annual audit days (per contract)	370	360

Agenda Item 14

EXEMPT INFORMATION BY VIRTUE OF
PARAGRAPH(S)3 OF PART 1 OF SCHEDULE 12A
OF THE LOCAL GOVERNMENT ACT 1972.

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Agenda Item 15

EXEMPT INFORMATION BY VIRTUE OF
PARAGRAPH(S)3 OF PART 1 OF SCHEDULE 12A
OF THE LOCAL GOVERNMENT ACT 1972.

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