

NORTHAMPTON BOROUGH COUNCIL

AUDIT COMMITTEE

Your attendance is requested at a meeting to be held in the Jeffrey Room,
The Guildhall on Monday, 11 January 2010 at 6:00 pm.

D Kennedy
Chief Executive

AGENDA

1. APOLOGIES

Please contact Nicola Pepper on 01604 837356 or
npepper@northampton.gov.uk when submitting apologies for
absence.

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 AND BUSINESS CONTINUITY UPDATE

Report of Director of Finance and Support

S. Morrell
X 8420

7. CLIFTONVILLE POWER FAILURE AND BUSINESS
CONTINUITY PLANS

Director of Finance and Support to report

I. Procter
X 8757

8. SICKNESS ABSENCE ACTION UPDATE

Report of Director of Finance and Support

C. Wilson
X 7377

9. TEMPORARY ACCOMMODATION

Report of the Director of Housing

I. Swift
X 8603

10. RENT ARREARS ACTION PLAN

Report of the Director of Housing

C. Ansell
X 8584

11. FUEL MANAGEMENT

Report of the Director of Environment and Culture

S. Wade
X 7464

12. PAYROLL AUDIT REPORT FEEDBACK

Report of Director of Finance and Support

G.
Chambers
X 7194

- | | | |
|-----|--|--|
| 13. | BUDGET OPTION RISK ASSESSMENT REVIEW
Report of Director of Finance and Support | G.
Chambers
X 7194 |
| 14. | EXTERNAL AUDIT UPDATE
Report of the External Auditor | T. Croote
Audit
Commissio
n |
| 15. | INTERNAL AUDIT UPDATE
Report of the Internal Auditor | C Dickens,
Internal
Auditor
(PWC) |
| 16. | 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.” | |

Public Participation

Members of the public may address the Committee on any non-procedural matter listed on this agenda. Addresses shall not last longer than three minutes. Committee members may then ask questions of the speaker. No prior notice is required prior to the commencement of the meeting of a request to address the Committee.

Appendices

1



NORTHAMPTON
BOROUGH COUNCIL

Item No.

6

AUDIT COMMITTEE REPORT

Report Title	Risk Management Update
---------------------	-------------------------------

AGENDA STATUS: PUBLIC

Meeting Date:	11 th January 2010
Directorate:	Finance and Support
Accountable Cabinet Member:	Cllr David Perkins
Ward(s)	Not Applicable

1. Purpose

- 1.1 To provide an update on recent progress in Risk and Business Continuity Management across the authority.

2. Recommendations

- 2.1 To note recent progress in risk and business continuity management across the authority.
- 2.2 To note the Strategic Risk Register.

3. Issues and Choices

3.1 Report Background

- 3.1.1 Audit Committee requested an update on the developments within Risk and Business Continuity Management to be submitted to the next Committee meeting.

3.2 Issues

- 3.2.1 Following the same process as last year, Heads of Service will be updating service-area risk registers in line with their 2010/11 Service Plans, identifying the risks associated with the delivery of the service objectives.
- 3.2.2 Management Board undertook a quarterly review of the Strategic Risk Register on 17th December 2009. Management Board reviewed outstanding actions, discussed the new risks and ensured awareness of the high risks. A copy of the current Strategic Risk Register is attached. *Please note - the*

current Excel format is a temporary approach whilst we move across to P+, the Council's performance and risk management software.

- 3.2.3 The Risk Manager is in the early stages of introducing improved risk management in partnerships. Risk management is one element of good partnership governance and contributes to partnerships achieving the objectives they set out to deliver whilst protecting the interests of the individual partners and stakeholders. In a partnership environment, risks should be managed both from the perspective of the partnership and of each individual partner.
- 3.2.4 The Council's Risk Management Strategy will be reviewed and updated early in 2010. It is anticipated that the changes made to the Strategy will not be significant and therefore it is proposed for Audit Committee and the Director of Finance and Support to approve any changes.
- 3.2.5 Part of the Strategy review will involve an assessment of the Council's Risk Maturity. This enables the Council to benchmark its current risk management capability. It will also provide an understanding of how and where improvements can be made.
- 3.2.6 Following the power failure at Cliftonville House on 1st December 2009, we are in the process of gathering lessons that we can learn from the event. These lessons include things that worked well and things that did not work so well. A report will be produced summarising the findings. The Chair of Audit Committee has asked for the report to be submitted to the Committee, it is anticipated that the report will be available for the Committee Meeting in March. However, a verbal update is to be provided at today's meeting.

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 and business continuity management arrangements are in place across the Council.

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

4.6 How the Proposals deliver Priority Outcomes

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

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

4.6.3 Reduction in interruptions to service delivery.

4.6.4 Continuity of critical Council activities.

4.6.5 Enabling the Council to act proactively, avoiding reactive management wherever possible.

4.6.6 Protecting and enhancing the reputation of Northampton Borough Council.

4.7 Other Implications

4.7.1 Not applicable

5. Background Papers

5.1 Appendix A - The Strategic Risk Register – *to be printed on A3 paper.*

**Sue Morrell,
Risk and Business Continuity Manager, ext 8420.**

Strategic Risk Register - December 2009

Strategic Risk Register – Context

The Strategic Risk Register captures the risks and opportunities faced by the Council in achieving our ambitions, values and priorities, whilst managing the challenges to help us achieve success. The register is aligned to our Corporate Values and Priorities and sets out the risks to achieving these values and priorities, outlining the steps the Council can take to help mitigate the risks. The focus is on the Council being a well-managed organisation, which enables us to respond effectively to issues as they arise. The Management Board owns the Strategic Risk Register and undertakes a formal review of the register on a quarterly basis. Details of service-specific risks and opportunities are managed through the Service-Level Risk Registers, owned by the respective Head of Service. The Service-Level registers also include high-level risks associated with crosscutting functions owned by a particular service area.

ID	Corporate Priority	Category (finance, legal, HR etc)	Risk Owner	Risk Lead	Risk Cause (as a result of)	Risk Event (there is a risk that)	Risk Impact (which may result in)	Inherent Risk Scores			Mitigation Actions and Controls	Residual Risk Scores			Progress update and estimated completion date - December Update
								(assume no controls)							
								Impact (1-5)	Probability (1-5)	Score I x P		Impact (1-5)	Probability (1-5)	Score I x P	
Provide excellent customer services															
ST1	A well managed organisation that puts customers at the heart of what we do.	Strategic	Management Board	Cara Boden	Lack of effective, co-ordinated and consistent consultation. Inadequate community engagement methods. Inability to effectively interpret/use customer intelligence. Failure to provide our community with enough information to give considered feedback. Inadequate use of customer feedback loops and information systems e.g. complaints management.	Fail to Understand our Customers	Services are not shaped in line with customer demand and requirements. Community becomes disengaged with the council. Feedback is inadequate to be of use to the organisations future development. Process waste is not eliminated and re-work remains high. Council's reputation is damaged.	4	5	20	1. Develop an organisation wide common approach to consultation and approval protocols - TH. 2. Create a consultation database including outcome tracker - TH. 3. Develop and implement a communications strategy which ensures that the community is well informed of key events and issues - DD. 4. Review and implement a new approach to community engagement - NM. 5. Monitor and review complaints management outputs and corrective actions - MG.	4	2	8	1. Consultation Toolkit published to web and to engagement champions network - Autumn 2008 TH. 2. Protocol for publishing consultations to web and on Community of Practice in place, and champions trained - Spring 2009 TH. 3. Planning for a corporate communication strategy well underway. Comms team has shifted focus to embrace these new focus while strategy under development. Estimated completion date early 2010 DD. 4. Revision of Community Engagement Strategy included as project within draft Change Plan; for completion by end December 2009 NM (action owner now Nicci Marzec was TH). 5. Complaints process has been reviewed and reduced to a two stage process. Complaints capture, monitoring and feedback now effectively captured and recorded via CRM improving the quality and speed of management reporting. The impact of the improvements will not be fully known until the process has bedded in - March 2010 MG.
ST2	A well managed organisation that puts customers at the heart of what we do.	Strategic	Management Board	Cara Boden	Lack of understanding of the dynamics of our community. Failure to effectively engage with a broad range of the community. Failure to explore alternative and inclusive methods of engagement which reach across all sectors. Service impact assessments are not undertaken and acted upon effectively in all service areas.	Fail to respond to the diversity of our customer base.	Certain sectors of the community disengage with the council. Services are not shaped appropriately to meet the needs of the community as a whole. Services are not accessible to all and may disadvantage certain members of the community. Risk of legal action. Councils reputation is damaged	4	5	20	1. Develop a comprehensive and all inclusive understanding of the dynamics of our community through sound business intelligence - NM. 2. Develop innovative community engagement plans by working with community leaders and other partners that ensure an all inclusive approach - NM. 3. Ensure that a whole council approach to the diversity agenda is adopted and relevant legislation understood - TH. 4. Effectively manage the use of impact assessments to help shape services - TH.	4	2	8	1. Very significant task and challenge, joint responsibility with P and I and Customer Services (CS). Not likely to be complete before March 2011. Business case currently being developed on use of Insight within the organisation as part of the Corporate Change Plan activity, lead by CS. DR. NM (action owner now NM was TH). 2. Revision of Community Engagement Strategy (CES) included as project within draft Change Plan; for completion by end December 2009 NM (action owner now NM was TH). 3. Single Equalities Scheme being updated, to incorporate findings of peer challenge; new SCS to be completed by end December 2009 TH. 4. Using EIAs to shape service delivery is a service manager responsibility. CESC has a role in monitoring the effectiveness of this TH. Update from NM - Currently undertaking review of current and strategy/scoping work in preparation for discussion with Cllrs. Reductions in budget for community engagement activities may impact on engagement opportunities and scope/limitations of future strategy. CES is no longer within the scope of the Change plan and anticipated completion date is rev to March 2010.
ST3	A well managed organisation that puts customers at the heart of what we do.	Strategic	Management Board	Isabell Procter	Access to service channels is not well designed and publicised. The councils first point of contact for customer service does not offer comprehensive access to all council services; services fail to engage with the development of the front office environment. Front to back office hand off processes are not well defined and service level agreements are not implemented. Consistent standards of service are not developed and implemented across all services. Customer facing employees are not well trained and committed to customer delight. Cross directorate working creates barriers to service delivery. No regular process improvement.	Fail to deliver a consistently positive customer experience.	Customers are unclear how to access services. Customers have to make several contact attempts to gain information or request a service. Failure to achieve against NI14. Operating costs are high due to high levels of re-work and wasted processes. Customers receive inconsistent service responses according to who they are liaising with. Customer satisfaction levels are low. Council reputation is damaged. Employee satisfaction is negatively impacted.	4	5	20	Develop and implement a comprehensive customer excellence strategy. Develop a council wide external customer charter. Conduct a programme of business change which migrates as many services to the front office as possible. Ensure council wide adoption of a shared view of what constitutes excellent customer service. Develop a "wow" the customer training programme and roll out across all front facing employees. Implement a council wide mystery shopping programme to assess performance. Regularly seek customer feedback. Utilise customer feedback loop to improve services - ALL ACTIONS MG	4	2	8	Customer Excellence Strategy being implemented. Further publicity and engagement planned including Managers Session in January and Customer Consultation throughout December and January. Regulatory Services have been migrated to the Contact Centre and a migration plan is in place for further services including Housing and Development Control. The Mystery Shopping Programme in partnership with the other Northamptonshire Local Authorities is now embedded. MG.

Strategic Risk Register - December 2009

ST4	A well managed organisation that puts customers at the heart of what we do.	Strategic	Management Board	Isabell Procter	Customers do not know what levels of service to expect. Customers expectations are not effectively managed at the time of contact. Communication processes are ineffective. A council wide service charter is not adopted and adhered to.	Fail to manage customer expectations.	Dissatisfied customers. Increased complaints. Customers have to make repeat contacts leading to dissatisfaction and increased operating costs. Loss of reputation.	4	4	16	Develop and publish an external customer charter. Ensure customers are made aware at the time of contact what the next steps are. Ensure mystery shopping measures our capability to adhere to the expectations we have set. Ensure external communications clearly detail what customers can expect when dealing with the council - ALL ACTIONS MG.	4	2	8	Customer Consultation regarding standards and charter has been ongoing since April 09. Some of this has been with the Police and Fire Services. The external customer charter will be launched in January 2010 following extensive consultation. MG.
Work towards a better Northampton															
ST5	Housing, health and wellbeing.	Strategic	Management Board	Lesley Wearing	Absence of robust strategic planning, housing and economic development policies. Ineffective affordable housing and allocation policies. Out of date evidence base. Inadequate infrastructure to support communities. Ineffective equality and diversity policies.	We do not build well balanced and mixed communities.	Areas of continued deprivation. Pockets of worklessness. Weak communities with little ambition or civic pride. Spirals of decline in urban fabric and personal attainment.	5	4	20	1. Prepare and maintain up to date and well evidenced strategic policies and ensure effective implementation - SB/BQ. 2. Invest in economic development, new housing and infrastructure - SB. 3. Maximise third party investment - CC. 4. Embed positive corporate approach to equalities and diversity - TH.	4	2	8	1/2. Draft HAMS/Housing Strategy to be launched on 16 Dec 09. Cabinet April 2010 BQ. 3. Consultation with Stakeholders and success with PFI bid - Mick Lorkins. 4. Management Board report on 'mainstreaming' equalities adopted spring 2009; actions to be monitored by CESG. See also comments under ST2 TH.
ST6	A confident, ambitious and successful Northampton	Strategic	Management Board	David Bailey	Failure to create distinctive new/regenerated developments with a sense of place. Town Centre not improved. Northampton's status in the region/nationally is not raised. Fail to provide new homes that people want to live in and new job opportunities. Educational attainment standards not raised. Fail to invest and maintain our parks and open spaces. Failure to ensure a diverse cultural and sporting offer.	We fail to instil lasting pride in Northampton.	Poor overall quality of life and dissatisfaction with the Council. Communities that are not engaged and do not assume responsibility for their neighbourhoods. The town stands still and does not attract new residents or new investment.	4	5	20	Providing the capacity and expertise to deliver our ambitions. Investment in the public realm to demonstrate progress - CC. Investment in the streetscene to do the basics well and making our new neighbourhood model a success - SW. Engaging positively at regional and national level and through positive PR putting Northampton on the map - DD	3	2	6	Market Square transformation project progressing well and on target. Gateway feature on target for March 2010. Gold Street Public Realm complete- Aug 09 and remedial works now complete. Waiting to hear on bids for Abingdon Street and Market Square Public Realm. TH detailed bid for Gold Street buildings to be submitted end Nov 09 for Heritage Lottery Funding. Becketts Park Marina funded and actioned. Parks and Open Spaces strategy went to Cabinet 25th Nov 09. EOI for Becketts Park next phase submitted. Grosvenor Greyfriars Development Agreement exchanged with L&G 12/11/09. St Johns town centre Collaboration Agreement due for exchange with Deeley Properties by end of Nov 09. NBC received Winner award at East Midlands RTPI for Spacial Strategy for St Johns Masterplan. DB. Neighbourhood model and supporting structure developed, implementation 2009/10 SW.
ST7	A confident, ambitious and successful Northampton	Strategic	Management Board	David Bailey	Failing to plan and manage growth and adopt statutory plans in a timely manner. Not negotiating for attractive new places. Missing opportunities to secure timely infrastructure and funding. Not delivering new affordable homes, improved public transport and accessible environments.	Fail to take full advantage of the opportunities presented by the growth agenda and to deliver a better Northampton.	A legacy of unattractive housing estates with poor facilities. Congestion in the town and poor public transport. Continued deprivation in parts of the urban core.	5	4	20	Ensure a positive and pro active approach to the growth agenda and the capacity to deliver. Up to date plans and evidence base. Strong partnership working to maximise opportunity and funding streams - All SB	4	2	8	JCS and CAAP emergent plans out to consultation on time. Council to consider JCS on the 8th September which could trigger review of risk. Partnership working with WNDC,NCC,NEL strengthened and effective. Relationships with GOEM and MKSM growing. infrastructure capacity particularly transportation is a high risk to the growth agenda DB.
ST8	Partnerships and community engagement.	Strategic	Management Board	Cara Boden	Failure to engage with the public, to listen and respond. Not monitoring public satisfaction and ignoring any results.	Fail to understand what the public perceive as a better Northampton and as a result fail to agree a shared vision/ambition for Northampton.	Low levels of public satisfaction. Ineffective priorities and investment plans. Low levels of buy in to new projects and poor ownership of what we are trying to achieve.	4	4	16	Effective consultation and communication strategies. Clear feedback and responses with open account of what has made a difference - ALL ACTIONS TH (except communications strategy).	3	2	6	Community Engagement Strategy in place since Autumn 2008, to be reviewed as part of Change Plan by December 2009. See also ST1 TH (action owner now Nicci Marzec). Communication strategy a separate responsibility. Customer feedback from consultations within Customer Services is being posted on the website MG. Current Corporate Plan and Budget Priorities consultation program underway and will ensure effective feedback process in place to disseminate responses and publicise through the Council's website. DR

Strategic Risk Register - December 2009

ST9	A well managed organisation that puts customers at the heart of what we do.	Strategic	Management Board	Cara Boden	Weak corporate co-ordination to align key strategies and involve colleagues in development of policy. Failure to recognise the added value to be achieved through joint working.	Failure to approve/adopt a co-ordinated suite of key strategies to deliver the shared vision and ambition for Northampton.	Non- delivery of ambition and a better Northampton. Weak recognition of Team Northampton and what it stands for	5	4	20	Strong and effective corporate team with consistent vision and ambition - MB . MB sign off of key strategies at agreed milestones - MB	3	1	3	A robust approach to corporate management has been developed and implemented, this includes initiatives to ensure that the Council's priorities, vision and key activities are effectively communicated throughout the organisation e.g. Corporate briefings, manager's sessions. Management Board effectively consider and approve key developments, plans and policies CB .
Engage in meaningful dialogue															
ST10	Partnerships and community engagement.	Strategic	Management Board	Cara Boden	Lack of community leadership	tension/lack of community cohesion	Exclusion of certain communities, creation of 'ghettos', possible violence	5	4	20	1. Action plan from Customer excellence strategy - MG Community forums/LAA's - TH	3	2	6	1. Action Plan complete. Latest date for completion of action Dec 2010 (Service Migration) MG . 2. To be clarified. Forums have a role in addressing cohesion issues, but cannot deliver 'community leadership' on their own. LAA reference obscure TH .
ST11	Partnerships and community engagement.	Strategic	Management Board	Cara Boden	Failure to communicate effectively with the community	poor/inappropriate decisions/services	resistance to change/lack of understanding or perception	4	4	16	Community Cohesion strategy and action plan - TH	3	2	6	This action may belong with ST10. Development of a strategy and action plan not currently part of the work programme. If added, possible conclusion by December 2010 TH .
ST12	A confident, ambitious and successful Northampton	Strategic	Management Board	Cara Boden	Failure to exert appropriate influence at a national/regional/local level due to lack of engagement/poor profile. Failure to be seen as an influential partner due to reputation. Failure to achieve a strong strategic position at local, regional and national level.	missed opportunity/development	lack of willing partners/loss of influence/bypassed for major decisions/loss or missed opportunities/funding	4	4	16	Service Improvement plans/Appraisal process/KPIs/Draft Communications strategy/entering awards/inspection reports/regen prog/decent homes prog - DR	3	2	6	Service improvement plans are integrated into service planning and monitored via PMF. Audit and Inspection reports received in the first six months of the year have been positive and support improvement to our profile. Application for LGC award 'Most Improved Council' has been submitted with shortlisted authorities will be notified on 17th Dec 09. Now co-ordinating award applications to capture whole organisational picture DR . Note - DR does not manage APP or individual service plans.
Make best use of resource															
ST13	A well managed organisation that puts customers at the heart of what we do.	Strategic	Management Board	Isabell Procter	New Senior Management Team in place. Lack of staff experience, knowledge, corporate memory following the re-structure. Lack of ability to forward plan. Lack of belief in Council's abilities. Lack of corporate approach to project management. Lack of accommodation. Improvement not embedded.	Lack of capacity to manage all resources, including people, finance and assets. Inability to use our resources effectively.	Senior Management Team does not work effectively and corporately. Failure to learn from previous mistakes. Loss of public confidence. Silo working leading to sub optimal solutions. Failure to improve external judgements e.g. CAA, UoR, Direction of Travel. Budget only balance through service cuts; Overspending leading to further service cuts.	5	5	25	1. Undertake a skills audit to identify gaps in organisational abilities leading to training plans - CW . 2. People Strategy - CW . 3. Strategic Business Review will inform next steps, moving the journey to the next level - DR . 4. Proper use of ICT - ICT strategy & delivery plans - MG . 5. Forward planning to include three year corporate and service plans - DR . 6. Embedding Team Northampton - CW . 7. Use of Resources delivery - GC/DR . 8. Accommodation review - GC . 9. Improvement plans developed and delivered - DR . 10. Delivery of balanced budget - ALL/GC . 11. Spending plans delivered on target or under - ALL/GC .	3	3	9	1. skills audit system currently being piloted in HR and Customer Services for launch Jan 10 CW . 2. People Plan at cabinet 16 Dec. Action plans developed for 4 strands of PP CW . 3. SBR process underway for identified services, shared service options also being considered where appropriate DR . 4. Business Analysis is taking place during December and January to inform the SBR and will include the drafting of an Information Strategy and Application and Function Maps. MG . 5. Current Corporate Business Planning Process is based on three year forward view to demonstrate achievement of ambition DR . 6. Culture change and values development consultation at board. Values back to Board Jan 10 CW . 7. UoR for current year undertaken- improvement planning work to be developed as part of service planning work for coming year based on assessment feedback and gap analysis against criteria. Assessment feedback now received and gap analysis work can commence DR . 08/09 Use of Resources score of "2" in the harder test, a good result. Have recently received feedback from KPMG and the Audit Commission and action plan being drawn up from this GC . 8. Assets SBR has three work streams - Accommodation (Cliftonville), Property and Service. All progressing with formal reporting in place via Project Board, Project Teams GC . 9. Service improvement plans are integrated into service planning and monitored via PMF. 10. Budget report for 10/11 being drafted for 16th Dec Cabinet GC . 11. The in year budget monitoring has flagged that not all 09/10 savings/efficiencies are being delivered. Heads of Service are working on mitigation/action plans, these will be report via the monthly Cabinet report GC .
ST14	A well managed organisation that puts customers at the heart of what we do.		Management Board	Cara Boden	Not adhering to agreed priorities. Insufficient communication of Council priorities. Lack of link between Corporate Plan and operational/service level priorities. Corporate level not recognising service priorities.	Fail to establish priorities and align them within the resources available.	Inability to focus. Unable to manage resources to deliver key priorities.	5	5	25	1. Embed priorities. Communicate priorities. Programme activities throughout the year. Head of Service gap analysis to identify what is not in place. Link Corporate Plan and Service Plans/priorities. ALL ACTIONS DR . 2. Robust Medium Term Plan - GC	2	2	4	1. Corporate Business Planning process will involve communication and engagement plan with teams throughout the organisation to embed priorities. Ongoing monitoring and review through the PMF will ensure focus. Reporting through new P+ performance software will raise profile of progress of delivery of priorities and agreed outcomes. Further work being undertaken this year to strengthen the links between resources and priorities DR . 2. The MTFs was approved by Cabinet in November 2009 GC .

Strategic Risk Register - December 2009

ST15	A well managed organisation that puts customers at the heart of what we do.	Strategic	Management Board	Francis Fernandes	Lack of effective Officer delegations. Overly bureaucratic constitution. Lack of corporate governance approach and policies.	Fail to have effective governance and management arrangements in place throughout the Council.	Slow and possibly unlawful decisions making. Unconstitutional decisions. Inconsistent standards and added complexity to decisions making.	5	4	20	1. Draft effective Officer delegations - FF . 2. Gap analysis on governance procedures across the authority - FF . 3. Use PWC audit findings to identify needs - ALL/GC . 4. Produce an action plan and prioritise - DM . 5. Review of constitution - FF .	2	1	2	1. Constitution working Party (Chair Cllr Perkins) has begun review of Constitution - completion due April 2010. Officer working group established - target met. FF . 2. Survey of Management Board and Heads of Service on Delegations to Officer commences 14/12/09 - completion due Feb 2010. FF . 3. PWC audit actions monitored via PMF DR . 4. Action Plan to be developed - completion due Feb 2010. FF . 5. Working Party agreed workplan, includes Governance Gap analysis - completion of gap analysis due end Feb 2010 FF .
ST16	A well managed organisation that puts customers at the heart of what we do.	Strategic	Management Board	Cara Boden	No agreed and implemented method of horizon scanning. Lack of ownership for horizon scanning.	Fail to recognise opportunities internal and external.	Miss external funding opportunities. Miss collaborative opportunities. Fail to identify opportunities.	3	4	12	1. Visit local government web sites. 2. Improve reputation further. 3. Identify collaborative opportunities. 4. Identify Central Government opportunities. 5. Join Central Government forums and groups. 6. Continue to increase reputation - TH/DR	2	1	2	'Context' environmental scanning document being revised, complete end September 2009 TH . 1. Normal business TH . Websites related to inspections, audit work and Performance reviewed on a weekly basis. Alerts daily received from membership to national policy websites and membership of communities of practice at local and regional level facilitates shared learning and collaboration DR . 2/6. Communications lead responsibility TH - action to move to comms team. Attendance at national conferences and workshops support profile raising and supports networking and collaboration opportunities DR . 3/4. No corporate resource currently to do this - responsibility lies at present with service heads. Clarify expectation of corporate role here TH . 5. Members of APSE, IDeA, RIEP, LGA already. Services have connections as deemed appropriate by them TH .
Be a single effective team															
ST17	A well managed organisation that puts customers at the heart of what we do.	Strategic	Management Board	Cara Boden	Lack of effective communication and engagement at all levels resulting in diverse cultures and objectives.	There is a risk that inconsistent messages are communicated; Culture is not changed continuing poor performance; Organisation set different objectives in different Directorates/services	Organisation isn't working towards Corporate Plan and Improvement agenda. Different cultures are developed in different directorates/services. People working to different objectives and thus not on same journey.	5	5	25	1. Define Team Northampton values and behaviours (thus defining culture to move towards) - CW . 2. Develop corporate and directorate communication plans to ensure consistent approach to communications across NBC - DD . 3. Ensure communication plans have upwards communication to ensure staff can put forward their opinions DD .	2	2	4	1. As part of ST13 action 6 CW . 2 and 3. Directorate communications plans will flow from corporate communications plan, which is being developed. DD and Comms Team are attending DMTs to ensure consistent approach to communications DD .
ST18	A well managed organisation that puts customers at the heart of what we do.	Strategic	Management Board	Isabell Procter	Failure to instil a sense of purpose and belonging throughout NBC due to lack of effective leadership.	Risk that Good performing staff leave; Staff commitment reduces; Staff don't commit to leadership challenge as they don't believe in leadership	Improvement agenda not moving as quickly as required; Discontentment in staff = decrease in productivity	5	4	20	Ensure all officers are aware of their leadership role. Ensure values and behaviours of Team Northampton are communicated. Unacceptable leadership is challenged in supportive environment. Leadership continuous development (LCD) is seen as a key requirement to a healthy organisation - ALL ACTIONS CW .	2	2	4	Board development programme implemented. PRP scheme will provide some embedding within SMT. ST13 point 6 will provide further embedding within the organisation. New cohort of ILM programme started Dec 09. Northampton Career Path signed off by Board CW .
ST19	A well managed organisation that puts customers at the heart of what we do.	Strategic	Management Board	Isabell Procter	Failure to increase confidence in the Council's abilities.	Risk that: External - Government monitoring/scrutiny is not reduced; Public perception not improving; Internal - No internal ambassadors; Increase in turnover - decrease in attraction to key jobs	Decrease in funding opportunities; Failure to hit 2013 target; Difficulty to fill key roles; Lack of internal ambassadors increases external lack of confidence; Increase in Recruitment and Selection costs	4	4	16	1. Ensure visibility of the whole Team Northampton leadership team (All Managers) - CW . 2. Ensure all successes are recognised and celebrated CW . 3. Communication strategy to deal with negative press - DD .	2	1	2	1. Board Development programme has started to consider this approach. Review of Managers Briefing sessions to be considered by board CW . 2. Reward and recognition strategy commissioned August 09 CW . 3. See ST1 action 3.
ST20	A well managed organisation that puts customers at the heart of what we do.	Strategic	Management Board	Isabell Procter	Lack of effective teamwork at a corporate level.	Disjointed working; Mixed messages to staff; Decrease in funding opportunities if not joined up; 2013 objective not delivered	Duplicate projects / work being undertaken; Reduced commitment in Council objectives; Less funding to deliver transformation agenda; Failure of our key objective	5	3	15	Board commitment to corporate working. Board development programme. Values and behaviours support effective team working. Ineffective Team Northampton tackled in constructive manner - ALL ACTIONS CW .	1	1	1	Board development programme has been started. Values developed for Board; development of TN values and behaviours to allow TN behaviour programme to be developed thus working with ineffective TN CW .

Strategic Risk Register - December 2009

ST21	A well managed organisation that puts customers at the heart of what we do.	Strategic	Management Board	Isabell Procter	Failure to recognise and address resistance to change.	Targets are not delivered and may not understand real reasons for non delivery; Staff who are committed to change become dissatisfied; Improvement agenda is not as quick as required.	Improvement plan fails; Increase in turnover of committed staff; Budget targets not achieved	3	4	12	Value and behaviours developed and embedded that support Team Northampton. Team Northampton culture change programme for all staff. Performance Management Culture developed including: performance managed focussed progression, management development programme, appraisal focus, capability policy revised - ALL ACTIONS CW.	1	2	2	L&OD programme for 09/10 signed off by Board, includes programmes on following management development programme, appraisal. Reward strategy commissioned which will focus on performance managed progression. Capability policy to be revised 09/10 People Plan and 4 work streams action plans developed to drive this agenda forward CW.
ST22	A well managed organisation that puts customers at the heart of what we do.	Strategic	Management Board	Isabell Procter	Lack of resource or buy in to implement the review.	Strategic Business Reviews do not deliver the expected level of efficiencies and service improvements.	Lack of service improvements and financial efficiencies.	5	3	15	1. Sound Project Management processes CCo. 2. Project governance CCo. 3. use of improvement reserves IP.	5	2	10	New risk - no action update at present.

Key

BQ	Brian Queen
CB	Cara Boden
CW	Catherine Wilson
CC	Chris Cavanagh
CCo	Claire Corbett
DR	Dale Robertson
DD	Deborah Denton
DM	Diana Marten

FF	Frances Fernandes
GC	Gavin Chambers
MG	Marion Goodman
NM	Nicci Marzec
SB	Sue Bridge
SW	Simone Wade
TH	Thomas Hall

Appendices



Item No.

8

NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Sickness Absence
---------------------	-------------------------

AGENDA STATUS: PUBLIC

Meeting Date:	11 January 2010
Directorate:	Finance and Support
Accountable Cabinet Member:	Cllr Brian Markham
Ward(s)	N/A

1. Purpose

1.1 To provide an update on progress with sickness absence management.

2. Recommendations

2.1 To note progress on sickness absence management.

3. Issues and Choices

3.1 Report Background

3.1.1 On 2 June 2009 the Audit Committee requested that a report come back to the meeting in January 2010 updating on progress with sickness absence. The report considers the issues which were causing difficulties and the measure now in place to address them.

3.2 Issues

3.2.1 There were a number of historic issues which presented difficulties in the management of sickness absence across the authority. These included:

- The Attendance Management Policy, developed in December 1999, no longer reflected the values of the organisation and was too rigid in its application.
- The quality of data from managers was poor and sickness absence is not being measured or reported accurately.
- Occupational Health provision is a reactive measure undertaken when an employee is sick and referrals are untimely and costly.

- The cost of Occupational Health referrals and a separate contract for a confidential counselling service (CiC) do not provide value for money.
- There is no joined up approach to health promotion across the Council.
- The Agresso HR Information System does not have the capacity to report on sickness absence and we have no technical expertise within HR to assist in this process.
- Sickness absence is still above average.

3.3 Update

- 3.3.1 A new Absence Policy has been developed with additional tools to help managers in the process and all managers have been briefed.
- 3.3.2 Reports have now been developed on Agresso HR and more detailed monitoring and analysis is being carried out on a monthly basis.
- 3.3.3 A comparison of the level of sickness absence for 2008/09 to-date is attached in Appendix A. The key findings are as follows:
- April/May 2009/10 saw a general reduction in sickness absence compared with the same months in 2008/9. During this period, there was a structured programme of data quality briefings to managers to improve the accuracy of absence reporting.
 - June/July/August of 2009/10 saw an increase in sickness absence due to the flu pandemic compared with the same period last year.
 - Sept/Oct/Nov 2009/10 shows a further reduction in sickness absence compared to the same period last year. In September, the new Absence Policy was implemented, together with additional support tools for managers and improved absence monitoring and analysis from Agresso HR.
- 3.3.4 Overall, there has been a reduction in sickness absence this year due to the pro-active management of sickness absence and improved reporting.

3.4 Future plans

- 3.4.1 Northampton Borough Council has recently signed up to the Northamptonshire Charter for Health & Wellbeing, together with other authorities in the area, as a commitment to contribute to improving the health of Northamptonshire.
- 3.4.2 Implementation of the Health & Wellbeing strand of the People Plan, which involves a Corporate commitment to health and wellbeing, and a co-ordinated approach to improving the health and wellbeing of staff and reducing ill health.
- 3.4.3 Approval by Management Board to introduce a nurse-led absence and accident reporting service, which gives real-time reporting of absence and accidents through a 24-hour external contact centre staffed by qualified medical professionals.

4. Implications (including financial implications)

4.1 Policy

4.1.1 This report will influence key HR policies such as work/life balance policies in the future.

4.2 Resources and Risk

4.2.1 There are staffing implications to the implementation of a nurse-led service and full consultation will be carried out as per the Council's Restructure Policy. Costs for the implementation of the nurse-led service will be contained within the current HR budget for 2010/11.

4.3 Legal

4.3.1 Procurement rules will be followed with regard to the Nurse Led absence and accident reporting service contract. Data protection will also be considered.

4.4 Equality

4.4.1 An Equalities Impact Assessment will be conducted on the Health & Wellbeing Plan.

4.5 Consultees (Internal and External)

4.5.1 The following have already been consulted – Health & Wellbeing Group, Trade Unions, Management Board, H&S Committee, HR Team.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Linked to the Corporate Plan Priority 5 – A well-managed organisation that puts our customers at the heart of what we do.

4.7 Other Implications

4.7.1 None.

5. Background Papers

5.1 None

**Catherine Wilson,
Head of Human Resources
Ext 7103**

Monthly sickness absence BVPI 12 calculations plus rolling year figures

2008/2009	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Average FTE	1178.88	1173.37	1173.03	1169.89	1168.97	1175.86	1177.68	1171.89	1163.78	1109.24	1093.04	1154.36
Number of days sick	1274.24	1176.47	1188.79	1211.84	1047.02	1264.64	1260.58	1306.51	1541.27	1516.42	1219.22	1184.28
Rolling Year				12.76	12.67	12.84	12.62	12.58	12.77	12.81	12.94	13.11
Monthly figure	1.08	1.00	1.01	1.04	0.90	1.08	1.07	1.11	1.32	1.37	1.12	1.03

2009/2010	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Average FTE	1106.75	1082.01	1083.60	1124.29	1194.57	1216.59	1221.75	1232.59				
Number of days sick	1067.41	895.27	1118.62	1290.95	1101.58	1168.13	1268.52	1145.31				
Rolling Year	12.99	12.84	12.86	12.97	12.99	12.87	12.84	12.64				
Monthly figure	0.96	0.83	1.03	1.15	0.92	0.96	1.04	0.93				
Change from 08 & 09 month	-0.12	-0.18	0.02	0.11	0.03	-0.12	-0.03	-0.19				

NBC Short Term / Long Term Absence Sept 2009 to Nov 2009				
<i>Short Term Days Sick</i>		556.91	627.51	606.80
<i>Long Term Days Sick</i>		611.22	641.01	538.51
<i>Number of days sick</i>		1168.13	1268.52	1145.31

Total Change from 2008-09 to 2009-10
-0.47

Appendices



Item No.

9

NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Temporary Accommodation Audit Report Feedback
---------------------	--

AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	11th January 2010
Policy Document:	No
Directorate:	Housing
Accountable Cabinet Member:	Cllr Beardsworth

1. Purpose

1.1 Following on from the Audit Committee meeting on Monday 16th November 2009, an update report in relation to the outstanding items on Temporary Accommodation audit report was requested. This report highlights outstanding audit recommendations and also highlights when items were implemented. The particular emphasis of the request was on the outstanding actions.

2. Recommendations

2.1 To note this report and progress made.

2.2 To note that 100% of all recommendations have all been implemented.

3. Issues and Choices

3.1 Report Background

3.1.1 The Temporary Accommodation audit was completed and all actions were completed on time. Unfortunately, the IT system would not allow the service area to update the audit recommendations due to the attributes associated with the IT functionality on TEAM Central for previous responsible officers.

3.1.2 The current audit report and its recommendations was finalised on time and there remain no outstanding audit recommendations, as all recommendations were completed on time.

3.1.3 Issues

Issues were raised at the Audit Committee on 16th November 2009 about the outstanding audit issues on the Temporary Accommodation audit report. All recommendation was actioned on time and there remain no outstanding audit recommendations from the report, as 100% have been actioned on time.

3.2 Choices (Options)

3.3.1 No choices identified.

4. Implications (including financial implications)

4.1 Policy

4.1.1 None

4.2 Resources and Risk

4.2.1 None.

4.3 Legal

No legal issues identified.

4.4 Equality

4.4.1 No equality issues identified.

4.5 Consultees (Internal and External)

4.5.1 None identified.

4.6 Other Implications

4.6.1 No other implications identified.

5. Background Papers

5.1 None

Report Author: Fran Rodgers
Head of Housing Needs and Support

Appendices

1



NORTHAMPTON
BOROUGH COUNCIL

Item No.

10

AUDIT COMMITTEE REPORT

Report Title

Rent Arrears Action Plan

AGENDA STATUS:

PUBLIC

Audit Committee Meeting Date:	11 January 2010
Policy Document:	No
Directorate:	Housing
Accountable Cabinet Member:	Councillor Beardsworth

1. Purpose

1.1 To consider the rent arrears action plan attached in the appendix, as requested at a previous meeting of the committee.

2. Recommendations

2.1 The Committee is recommended to comment on the action plan attached in the appendix.

3. Issues and Choices

3.1 Report Background

3.1.1 In preparation for the Audit Commission inspection which is expected this year, and to ensure that all necessary actions are being taken to reduce rent arrears, an action plan has been produced and is attached in the appendix.

3.1.2 A group of tenants have audited the rents service from a user perspective and their report is due in January. The action plan will be updated with their recommendations once they have been received.

3.1.3 Progress against the action plan is monitored on a monthly basis.

3.2 Issues

- 3.2.1 Rent arrears stood at £1,333,106 at week 39 (end of December) compared to £1,462,877 at the same time last year. This is a reduction of £129,771. Over 60% of tenants are in receipt of housing benefit and do not have the capacity for large lump sum payments.
- 3.2.2 In comparison with other similar authorities, at the end of the first quarter of 2009/10, NBC was in the lower middle section for arrears as a percentage of the debit using the Housemark benchmarking performance information. The latest figures are awaited. This benchmarking has replaced the national performance indicator, BV66a which is no longer produced.
- 3.2.3 BV66a measured the proportion of rent collected. NBC performance at the end of 2008/9 was bottom quartile.

3.3 Choices (Options)

- 3.3.1 Members are invited to comment on the actions recommended and suggest additional actions that should be addressed.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The action plan includes the requirement to produce a corporate debt policy, an income recover strategy and to revise the rent arrears policy. These will be submitted to Cabinet for approval.

4.2 Resources and Risk

- 4.2.1 The action plan will be delivered from existing resources.
- 4.2.2 No specific risks have been identified in relation to the action plan.

4.3 Legal

- 4.3.1 None

4.4 Equality

- 4.4.1 The income recovery strategy will consider the profiling information on debt to see if any groups have larger arrears than others so that actions can be targeted.

4.5 Consultees (Internal and External)

- 4.5.1 The corporate debt policy is being produced jointly with officers from the finance department.

4.6 Other Implications

4.6.1 None

5. Background Papers

5.1 None

**Report Author: Christine Ansell
Head of Landlord Services
Ext 8584**

APPENDIX: RENT ARREARS ACTION PLAN

	Action	Milestones	Target	Lead officer	Priority	Source	Current Status - 29 Dec 2009
1	Identify user satisfaction levels	<p>1. Analyse issues arising from Status survey.</p> <p>2. Carry out sample survey of users to identify satisfaction levels, areas of dissatisfaction and gaps in service delivery from user perspective by end Jan 2010.</p> <p>3. Set target to increase satisfaction, Identify actions required and formulate action plan by end Feb</p>	End Feb 2010	Tim Ansell	High	KLOE self assessment - access to services issue	Not yet due - in preparation
2	Increase engagement with service users and involve them in improving the service	<p>4. Tenant auditors to carry out audit of rent arrears service by Dec 2009 (Ian Mortimer).</p> <p>5. Action plan to be put together by Mid Feb 2010.</p>	Mid Feb 2010	Chris Ansell	High	KLOE self assessment - access to services issue	Tenant auditors have completed audit - meeting to receive their draft report is set for January
3	Set up rents user group to actively canvass views of service users on ongoing basis as recommended in KLOEs	<p>6. Produce brief and terms of reference by end Jan 2010.</p> <p>7. Set up group and hold first meeting by end Mar 2010.</p>	End Mar 2010	Tim Ansell	High	KLOE self assessment - access to services issue	Not yet due - in preparation
4	Ensure front-line staff have a wide range of knowledge about the full range of benefits available, managing debt and reducing indebtedness	<p>8. Review sample of existing case files to ascertain current approach. C Ansell Mid Jan 2010.</p> <p>9. Identify training needs by end of Jan 2010, C. Ansell</p> <p>10. Identify and book training courses by end of Feb 2010 - Ian Mortimer</p>	end Feb 2010	Chris Ansell	High	KLOE self assessment - access to services issue	Not yet due - in preparation
5	Increase direct debit payment options to make it easier for tenants to pay	<p>11. Increase direct debit payment dates from 2 to 4 options - Janette Hirst end Jan 2010</p>	end Jan 2010	Janette Hirst	High	KLOE self assessment - access to services issue	Not yet due - in preparation

6	Introduce incentives for tenants to pay as recommended in audit commission KLOEs	12. Cabinet report February	end Feb 2010	Chris Ansell	Medium	KLOE self assessment - access to services issue	Not yet due - in preparation
7	Ensure tenants are aware of new/all payment options	13. Carry out direct debit awareness campaign to promote new dates	Mar to June 2010	Tim Ansell	Medium	KLOE self assessment - access to services issue	Not yet due - in preparation
8	Increase number of tenants paying by direct debit	14. Set target by end Jan 2010 for coming year. 15. Awareness, take up and incentives campaign designed by end Feb 2010. 16. Carry out campaigns Mar to June 2010. 17. Review effectiveness and design programme for rest of 2010/11. 18. Ensure arrangements in place for tenants to set up direct debit over phone by end Mar 2010 (Janette Hirst)	End Jun 2010	Chris Ansell	High	KLOE self assessment - access to services issue	Not yet due - in preparation
9	Provide money advice and debt counselling service for tenants	19. Budget growth MTP option prepared for £40,000 to provide dedicated resource. (completed November 2009). 20. Procure resource Mar 2009 21. Service in place with agreed targets and performance monitoring by end April 2010	End April 2010	Chris Ansell	High	KLOE self assessment - access to services issue	Budget MTP completed. Rest not yet due - in preparation
10	Ensure effective signposting to Gateway support	22. Clarify referral mechanisms, targets, objectives and feedback mechanism with Housing Solutions Manager by end Jan 2010. 23. Review access to floating support by end of Feb 2010.	End Feb 2010	Chris Ansell	High	KLOE self assessment - access to services issue	Not yet due - in preparation

11	Ensure needs of vulnerable tenants are identified and met	<p>24. Review existing approach by end Jan 2010.</p> <p>25. Produce draft vulnerable tenants policy by 15 Feb 2010 with Equality Impact Assessment.</p> <p>26. Consultation, approval and implementation by end May 2010.</p>	End April 2010	Chris Ansell	High	KLOE self assessment - access to services issue	Not yet due - in preparation
12	Review new tenancy visits	<p>27. Review performance to date.</p> <p>28. Obtain tenants views on satisfaction with visit.</p> <p>29. Review role in prevention of debt.</p> <p>30. Review overall effectiveness and implement any changes necessary</p>	End Mar 2010	Chris Ansell	Medium	Current performance indicators	Not yet due - in preparation
13	Review advice leaflets, web site information and other information to tenants	<p>31. Seek views of users from Tenant Auditors who are looking at rents by end Jan 2010.</p> <p>32. Identify gaps and produce draft leaflets by end Feb 2010.</p> <p>33. Distribute by end Mar 2010</p>	End Mar 2010	Tim Ansell	Medium	KLOE self assessment - access to services issue	Not yet due - in preparation
14	Produce self help guide for those in rent arrears	<p>34. Draft by end Nov 2009</p> <p>35. Consultation with tenant auditors Dec 2009.</p> <p>36. Consultation with CAB and other stakeholders Jan 2020. Final draft 15 Feb 2010.</p>	Mid Feb 2010	Chris Ansell	Medium	Benchmarking with other organisations	Draft completed and with tenant auditors
15	Review Customer Profiling information to identify needs of service users	<p>37. Review profiling information by end Dec 2009.</p> <p>38. Identify actions required by end Feb 2010.</p> <p>39. Implement by end May 2010.</p>	End May	Chris Ansell	High	KLOE self assessment - access to services issue	Profiling information produced and will be analysed at next rent strategy group meeting. Rest not yet due.
16	Review rent service standards in consultation with tenants	<p>40. Draft service standards with tenant auditors - completed December 2009.</p> <p>41. Revised draft for wider consultation in February 2010.</p>	End April 2010	Chris Ansell	Medium	KLOE self assessment - access to services issue	First draft completed. Rest not yet due - in preparation.

17	Review use of language strap lines in literature	42. Review by end Jan 2010. 43. Identify and complete actions by end Feb 2010.	End Feb 2010	Tim Ansell	Medium	KLOE self assessment - access to services issue	Not yet due - in preparation
18	Ensure strategic approach to recovery of rent arrears	44. Draft income recovery strategy by end Jan 2010 taking into account work of tenant auditors and service user feedback. 45. Finalise document by end of Feb 2010.	End Feb 2010	Chris Ansell	High	KLOE self assessment - access to services issue	Not yet due - in preparation
19	Ensure strategic approach to recovery of rent arrears	46. Analyse reasons for non payment and ensure strategy addresses these.	End Feb 2010	Philip Ralph	High	KLOE self assessment - access to services issue	Not yet due - in preparation
20	Ensure strategic approach to recovery of rent arrears	47. Review rent arrears policy and procedures to reflect income recovery strategy	End Feb 2010	Chris Ansell	High	KLOE self assessment - access to services issue	Not yet due - in preparation
21	Ensure there are affective mechanisms in place to prevent rent arrears	48. Ensure income recovery strategy addresses this (C Ansell end Feb 2010) 49. Ensure payment methods and advice to tenants address this (Tim Ansell Jun 2010) 50. Review rent statements Janette Hirst (Feb 2010). 51. Review sign up procedures for new tenants by end Mar 2010 (Tim Ansell). 52. Ensure incentive programme in place Feb Cabinet (C Ansell). 53. Review effectiveness of existing and set programme of campaigns for 2011/11 end Mar 201 (Philip Ralph) 54. Ensure tenants can look up balance on line - Janette Hirst April 2010	End Jun 2010	Chris Ansell	High	KLOE self assessment - access to services issue	Not yet due - in preparation

22	Ensure strategic approach to recovery of rent arrears	55. Draft corporate debt policy by Dec 2009. 56. Consultation and final document by end Feb 2010.	End Feb 2010	Chris Ansell/robin Bates	High	KLOE self assessment - access to services issue	Draft completed.
23	Carry out equality impact assessment	57. Carry out EIA on strategy, policy, procedures and corporate debt policy by end Feb 2010.	End Feb 2010	Chris Ansell	High	KLOE self assessment - access to services issue	Not yet due - in preparation
24	Ensure new tenants receive full induction and gain a full understanding of obligation to pay rent	58. Review sign up procedure by end of Mar 2010 to ensure that it addresses rent arrears prevention - draft revised procedure by Mid Feb Peter Haytack.	End Mar 2010	Tim Ansell	High	KLOE self assessment - access to services issue	Not yet due - in preparation
25	Review effectiveness of promotional campaigns	59. Analyse effect on rent arrears of previous campaigns, method of campaign and cost v benefit by end of Feb 2010. 60. Taking this into account produce campaign proposals for 2010/11, including HB and other benefit take up campaigns	End Mar 2010	Philip Ralph	Medium	KLOE self assessment - access to services issue	Not yet due - in preparation
26	Review value for money of the service	61. Analyse costs of rent arrears collection, including staff and costs of each payment method by end Feb 2010. 62. Analyse impact of closure of cash office in terms of costs and service. 63. Benchmark through HQN and produce action plan by end Apr 2010. 64. Identify actions to promote the cheapest and most effective form of collection. 65. Produce summary report with recommendations by end Apr 2010	End April 2010	Tim Ansell	High	KLOE self assessment - access to services issue	Not yet due - in preparation
27	Ensure there are effective working arrangements with Housing Benefits	66. Review SLA with housing benefits by end Feb 2010	End Feb 2010	Chris Ansell	High	KLOE self assessment - access to services issue	Not yet due - in preparation

28	Ensure there are effective working arrangements for tenants to access Housing Benefits	67. Target HB liaison officers to areas of concern 68. Review HB advice given at sign up	End Feb 2010	Chris Ansell	High	KLOE self assessment - access to services issue	Not yet due - in preparation
29	Ensure mechanism in place to reach upper quartile	69. Review progress for 2009/10 by end Feb 2010. 70. Set challenging but achievable targets for next three years by end Mar 2010	End Mar 2010	Chris Ansell	High	Service plan	Not yet due - in preparation
30	Review performance indicators for 2010/11	71. Review appropriateness of existing Performance indicators. 72. Set new suite of performance indicators for 2010/11	End Feb 2010	Chris Ansell	High	Internal audit report	Not yet due - in preparation
31	Ensure additional arrangements in place for recovery of low levels of arrears	73. Draft procedure for January Income Strategy group meeting. 74. Finalise and implement from end of Feb 2010	End Feb 2010	Chris Ansell	Medium	KLOE self assessment - access to services issue	Not yet due - in preparation
32	Ensure additional arrangements in place for recovery of high arrears	75. Draft procedure for January Income Strategy group meeting. 76. Finalise and implement from end of Feb 2010	End Feb 2010	Chris Ansell	Medium	KLOE self assessment - access to services issue	Not yet due - in preparation
33	Ensure effective use made of introductory tenancies	77. Analyse rent arrears of introductory tenants at Feb income Strategy Group. 78. Design and implement procedure by end Mar 2010	End Mar 2010	Chris Ansell	Medium	KLOE self assessment - access to services issue	Not yet due - in preparation

Appendices
1



Item No.

11

NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Internal Audit Report – Fuel Management
---------------------	--

AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	11 th January 2010
Policy Document:	No
Directorate:	Environment & Culture
Accountable Cabinet Member:	Councillor Trini Crake

1. Purpose

1.1 In response to the resolution made at the meeting of the Audit Committee on 16th November 2009, to provide an update on the recent progress in respect of the Internal Audit of Fuel Management within the Neighbourhood and Environmental Services Division.

2. Recommendations

2.1 To note the progress against each recommendation.

3. Issues and Choices

3.1 Report Background

3.1.1 The review of fuel management was undertaken as part of the 2008/09 Internal Audit Plan Contingency days as agreed by the Head of Finance and Assets.

3.1.2 The final report was issued in May 2009. The review considered the controls and processes in place during January 2009.

3.2 Issues

3.2.1 The review identified five weaknesses in the design of the controls in place, one of which was assessed as high risk. In respect of the review of the

operation, the review identified six instances where the controls were not operating as designed, and one of those was assessed as high risk.

3.2.2 Attached at appendix one is a table of the findings, recommendations and actions resulting from the review of fuel management. Highlighted in red is the current status/progress against each of those actions. It should be noted that where it states that an action has been completed, this will need to be verified by Internal Audit in the course of their work.

3.3 Choices (Options)

3.3.1 There are none arising from this report

4. Implications (including financial implications)

4.1 Policy

4.1.1 None

4.2 Resources and Risk

4.2.1 In respect of the recommendations relating to updating the fuel and stock management systems (ref no. 3 and 5) a capital bid for funding has been submitted, however it is unlikely that any funding will become available ahead of the decision with regard to the procurement of the service. In the meantime the Team Leader is considering a tightening of the procedure to access fuel at satellite depots. This is over and above those recommendations made by the initial review and will be completed by the end of January 2010.

4.2.2 The remaining recommendations can be completed from within existing resources.

4.3 Legal

4.3.1 None specifically arising from this report.

4.4 Equality

4.4.1 None specifically arising from this report.

4.5 Consultees (Internal and External)

4.5.1 The Head of Finance, Waste and Street Care Manager and Transport Team Leader have been asked to comment on this report.

4.6 Other Implications

4.6.1 None

5. Background Papers

- 5.1 Appendix 1: Internal Audit Fuel management findings, recommendations actions and status.

Report Author: Simone Wade, Head of Neighbourhood Environmental Services

APPENDIX 1

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date	Status/Progress
1	Fuel dispensed out of hours is not used for Council business	The Westbridge site is open 24 hours a day 7 days a week and fuel pumps are operational all of the time. As such it is possible for fuel to be taken in the evening or night when less people are around and potentially used for private use.	<ul style="list-style-type: none"> ● Medium 	<p>The Council should look to monitor out of business hour fill ups.</p> <p>Vehicles should only access the fuel pumps out of business hours if there is a business need.</p>	<p>A monthly report will be generated of vehicles fuelling out of core hours to view exceptions.</p> <p>Agreed but the keys system is quite secure and the pumps are viewed as part of the CCTV Patrol every 2 minutes.</p>	Gerry Gammage 31 March 2009	A report is generated for each day covering the period of 5pm to 6am. Exceptions are then flagged to the Transport Team Leader for investigation. To date there have been no anomalies flagged.

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date	Status/Progress
2	Vehicles are not using fuel efficiently or fuel is being used for private use.	It was noted that the Council monitor fuel on a financial budget line basis but this is too high level to provide any useful information about fuel usage.	<ul style="list-style-type: none"> ● Medium 	<p>The Council should consider reporting fuel usage on an individual vehicle basis. This could also include a comparison of fuel consumption against business miles driven.</p> <p>This data could highlight if drivers were consuming fuel for non business purposes or if vehicles were using fuel inefficiently.</p>	<p>A quarterly fuel report can be run for all and each vehicle and an average fuel consumption figure could be set per vehicle type as a target to achieve.</p> <p>Any discrepancies will be passed to divisional managers.</p>	Gerry Gammage / Karen Duffy (weighbridge clerk) 31 March 2009	Completed

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date	Status/Progress
3	Systems fail and dispensing of fuel is disrupted with no way of monitoring usage.	The hardware used on the fuel monitoring system (TriScan) and the software for the procurement/stock management of fuel is no longer supported by the proprietors. Currently the Council does not have an exit strategy for either system and if they were to fail it would have a negative impact on the operations of the Council.	● High	The Council should look to develop an appropriate exit strategy and consider upgrading the fuel and stock management systems given that the systems in place are no longer supported by the proprietors.	Procurement exercise to be undertaken and outright purchase or leasing of equipment to be looked at. Also looking at adding the sub depots as part of the system, but this could add to the price of the whole package.	Gerry Gammage. 31 August 2009	Quotations have been received to replace the fuel system. A capital bid has been submitted, including systems for the satellite depots, however given the current priority for funding it is unlikely that the bid will be successful ahead of the decision regarding the procurement of the service. The decision in respect of procuring the service will be made during November 2010 with contracts signed around Christmas 2010.

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date	Status/Progress
4	There is a greater risk that fuel is being consumed or taken for non-business purposes.	Unlike at the Westbridge depot, all sub depots do not use fuel keys to monitor and issue fuel. Instead fuel pumps are locked up by a padlock and fuel issued is recorded manually.	<ul style="list-style-type: none"> ● Medium 	<p>The Council should implement a reconciliation between the fuel being issued and the fuel recorded on the fuel sheets at sub depots.</p> <p>This can be achieved by taking a dipstick reading at the start and the end of the week and compared against the fuel recorded as issued on the fuel sheets.</p> <p>A variance may indicate fuel is not properly being recorded or fuel is being taken for personal consumption.</p>	<p>A work instruction issued to carry out weekly reconciliation in the sub depots.</p> <p>Any discrepancy will be reported to the Team leader Landscapes.</p>	<p>Paul Chambers Gerry Gammage</p> <p>31 May 2009</p>	Completed

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date	Status/Progress
5	Access to fuel pumps is not adequately restricted.	Through discussion it was noted that all drivers that use the Billing Arden sub depot have a key to the petrol pumps. This makes it harder for the Council to control the amount of fuel being issued and ensuring that fuel consumed is for business purposes only.	<ul style="list-style-type: none"> ● Medium 	The Council should look into restricting access to the fuel pump at sub depots and access should be granted to authorised personnel on a needs basis.	If a new system was procured it could be linked by modem at an extra cost. Or fuel in sub depots will only be issued first thing and at lunchtime when an authorised person attends refueling and work instruction issued.	Paul Chambers Gerry Gammage August 2009	See ref no 3.

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date	Status/Progress
6	Sharing of fuel keys distorts management information in relation to the amount of fuel being used by a particular vehicle.	Fuel keys are issued to individual vehicles but it has been noted that in the procedure notes there is no mention that fuel keys cannot be shared between drivers and used on multiple vehicles. In addition it was noted that not all drivers would have been given copies of procedures and asked to confirm their receipt and understanding.	● Low	Procedure notes should be updated and drivers made aware that fuel keys should not be shared. This will enable the council to: <ul style="list-style-type: none"> accurately monitor fuel consumption by individual vehicles; and ensure that divisional budgets are only charged for fuel consumption that directly relates to their services. 	Agreed Revisit work instruction and lock out all keys until a work instruction has been received and signed by all drivers with access at Westbridge and sub depots.	Gerry Gammage 30 June 2009	Completed

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date	Status/Progress
7	Leakage could occur and result in a major health and safety or environmental incident.	One of the requirements of the Council's petroleum license is that they keep a wetstock reconciliation on a daily basis to ensure no leakages have occurred from fuel tanks. Through discussion with the admin clerk it has been noted that these reconciliations are not up to date and the Council are potentially in breach of their license. This report is also stored on a personal drive instead of a shared drive and no review takes place.	● High	The Council should ensure that the wetstock reconciliation is completed on a daily basis to ensure compliance with relevant legislation and identify potential leakages. The Environment Agency also recommends that the data is presented in graphical format to more easily identify any problems. Once completed the report should be stored on the shared drive and subject to independent review.	This applies to Westbridge depot only because they have underground tanks. The weighbridge clerks report will be moved onto shared drive in the cleanse folder under Fuel tank Reconciliation for the transport team leader to review as and when. Work will be undertaken with the clerk to generate a graph from the data generated.	Gerry Gammage Richard Hill (Weighbridge Clerk) 31 July 2009 31 August 2009	Wet stock reconciliation has always been undertaken by the service as part of the conditions of the license. It is unclear as to why this was not made apparent during the audit. The data from past reconciliations has now been moved to the 'o' drive. Future data will be stored on this drive in the future.

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date	Status/Progress
8	Management information is inaccurate.	Through testing of reports sent to budget holders it has been noted that there is a system error. The amount of fuel recorded as being issued at the pumps is not the same as the amount of fuel used reported to budget holders. This error has occurred since September 2008 and in December alone there was a variance of around 6,000 litres which equates to roughly £5k in financial terms.	<ul style="list-style-type: none"> ● Medium 	The Council should contact the software developers and look to rectify the problem to ensure budget reports are accurate.	Not sure if this is a process fault or a system fault but is under investigation.	Gerry Gammage Ongoing	This situation has been investigated by the Transport Team leader and Finance on a number of occasions without success. It would appear that whilst the wet stock balances the budgets do not. In order to resolve this situation work is ongoing in respect of making changes to AGRESSO so that it incorporates the Transport system.

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date	Status/Progress
9	Data could be lost or damaged and budgetary information not kept up to date.	Fuel issued at sub depots is manually recorded on a fuel sheet and then collated centrally at Westbridge to upload on to Uniclass. These sheets are sent to Westbridge on an ad hoc basis.	<ul style="list-style-type: none"> Low 	The fuel sheets at sub depots should be collated on a weekly basis and sent to Westbridge to ensure stock records are kept up to date and budgets reflect actual usage.	A work instruction will be written that gets supervisor in each sub-depot to hand in all fuel related delivery notes and requisitions to the transport office on a weekly basis.	Paul Chambers Gerry Gammage 30 April 2009	Completed
10	Amount of fuel being dispensed is not accurately recorded.	During discussions it was noted that the Council has in the past had issues with the calibration of fuel pumps. An example of this is one of the pumps at the sub depot was issuing 27 litres of fuel but only registering 20 litres. In addition one of the fuel pumps at the Billing Arden sub depot has yet to be calibrated.	<ul style="list-style-type: none"> Medium 	The Council should have their fuel pumps calibrated on a regular basis to ensure fuel being recorded as issued is accurate.	This is not a legal requirement but will be done on an annual basis.	Paul Chambers Gerry Gammage 30 September 2009	Completed

Ref	Specific Risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date	Status/Progress
11	Fuel tank readings may not be accurate.	The dipstick used for the fuel tanks at the Camp Hill site was not actually made for that fuel tank.	● Low	The Council should look into getting a specific dipstick made for the fuel tanks at the Camp Hill site to ensure accurate readings can be taken.	A new dipstick to be purchased for the tank. Issue instruction on accepting fuel deliveries.	Paul Chambers 30 May 2009	The purchase of a new dip tick will not resolve this situation. There would appear to be no physical record of the size of the tanks at Camp Hill and therefore it is not possible to calibrate the dipstick. Therefore continued use of the existing system would provide the most cost effective solution.

Appendices
2



Item No.

12

NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Payroll Audit Report Feedback
---------------------	--------------------------------------

AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	11th January 2010
Policy Document:	No
Directorate:	Finance and Support
Accountable Cabinet Member:	Cllr Perkins

1. Purpose

1.1 Following on from the Audit Committee meeting on Monday 16th November 2009, an update report in relation to the outstanding items on the Payroll audit report was requested. This report highlights outstanding audit recommendations and also highlights when items were implemented. The particular emphasis of the request was on the three high-risk actions outstanding.

2. Recommendations

2.1 To note this report and progress made.

2.2 To note that the three high risk recommendations have all been implemented.

3. Issues and Choices

3.1 Report Background

3.1.1 The payroll section was moved into the Exchequers Services team within finance in April 2009, the team was previously part of the Human Resources Section. A new Exchequers Services Team Leader was appointed from 1st April 2009, some of the outstanding items for the previous audit reports were outstanding on TEAM Central for previous responsible officers.

3.1.2 The current audit report was finalised in September 2009 by internal audit.

3.2 Issues

3.2.1 Issues were raised at the audit committee on 16th November 2009 about the outstanding audit issues on the final payroll audit report. There were 22 items on the original report and since April 2009 fifteen items from the Payroll Audit Report have been implemented

3.2.2 This report highlights:

- Implemented Items: **Appendix One**
- Outstanding Items Time elapsed 3.2.3
- Outstanding Items deadline not elapsed **Appendix Two**
- Items highlighted as high outstanding risks at last audit committee meeting which were implemented 3.2.4
- Items removed from recommendations 3.2.5

3.2.3 Outstanding Items Elapsed

Item	Description	Due Date	Risk	Action / Issue	New Date
2	The authorised signatory list is in need of updating. Responsible Section: Finance Systems Team.	30 th November 2009	Medium	The accountable officer is currently implementing an upgrade of the Agresso system. The risk needs updating to reflect current structure, although new Team Leaders and Managers have been added through authorised signatory lists enabling them to sign timesheets, there are former managers on list that need removing.	31 st January 2010
7	Performance reports are being investigated and appropriate ones will be implemented. Responsible Section: Exchequers Services	30 th November 2009	Medium	New performance indicators are being developed. The risk is the team is not performance managed against indicators. These are currently being developed in conjunction with the Agresso system management reporting tools.	28 th Feb 2010
8	Detailed procedure notes	30 th September 2009	Medium	Payroll processes will change 1 st March 2010 when all weekly paid employees will be moved onto monthly pay. As the present arrangements will cease from March 2010, new formal procedures for internal managers will be given once all employees are paid monthly. The risk is some processes may not be fully detailed on the intranet.	1 st March 2010

3.2.4 Items which have been removed from the recommendations

Item 15, Backdated pay awards. It was agreed by internal audit that no further action was required by Payroll/Exchequers services in relation to this matter.

3.2.5 Items highlighted as high outstanding risks at last audit committee meeting now implemented

At the time of the Audit Committee in November, TEAM Central had not been updated for the high risk items as they were assigned to officers outside of Exchequers Services.

Item	Description	Risk	Date Implemented
5	Segregation of duties (Part Two).	High	30 th November 2009
12	Review data input quality checks	High	1 st August 2009
14	Processing of new starters in relation to start dates and input dates	High	1 st September 2009

3.3 Choices (Options)

3.3.1 No choices identified.

4. Implications (including financial implications)

4.1 Policy

4.1.1 Policy in regards to the corporate policy regarding welfare loans to employees. This relates to items

4.2 Resources and Risk

4.2.1 Some of the issues outstanding have resource implications due to system functionality, or may require lengthy processes to administer the recommendations. A decision is required to establish what is practical in terms of time. This relates to items 3, 5 and 13 of the Payroll Audit report.

4.3 Legal

No legal issues identified.

4.4 Equality

4.4.1 No equality issues identified.

4.5 Consultees (Internal and External)

4.5.1 None identified.

4.6 Other Implications

4.6.1 No other implications identified.

5. Background Papers

5.1 None

**Report Author: Matthew Lee
Exchequers Services Team Leader**

APPENDIX ONE

Implemented Items

The following items have been implemented on the final payroll absence report:

Item	Description	Date Implemented
1	Segregation of duties (Part One)	1 st April 2009
4	Changes to standing data	
5	Segregation of duties (Part Two). There is an agreement between HR and payroll, that HR set up new users and payroll access the payroll element. There is a report produced which details the changes to standing data and all amendments and changes to data can be viewed as well as the set up of new data. Compliance is checked from using the standing data amendments report	30 th November 2009.
9.	Checking payroll suspense accounts.	1 st August 2009
10.	Training issues within payroll in regards to processes	1 st August 2009
11.	Monitoring Reports of payroll activity	39 th June 2009
12.	Reviewing data input quality checks	1 st August 2009
14	Processing of new starters in relation to start dates and input dates.	1 st September 2009
16.	Directly submitting Statutory Returns to HMRC	1 st August 2009
17.	Authorisation for processing new starters	1 st April 2009
18.	Welfare loan agreements	1 st April 2009
19.	Overtime payment errors	1 st April 2009
20.	Obtaining receipt of car purchases for employees which are granted car loans	1 st August 2009
21.	Monthly pension documentation	1 st August 2009
22.	Information regarding temporary contracts	30 th November 2009

APPENDIX TWO

Outstanding Items deadline not elapsed

Item	Description	Issues	Due Date
3.	Duplicate payments may go undetected.	This is dependant on a system upgrade which is scheduled for early January 2010.	31 st January 2010
6	Granting of welfare loans in relation to policy and procedure. Responsible Section	There has currently been no progress on whether to continue with salary advances. The issue is the impact this would have on staff if this facility is removed as the borough has provided this service for a long period of time. Currently the Senior Payroll Officer makes the decision about whether to grant or not, this does need reviewing at a corporate level.	31 st January 2010
13.	Recouping of expenditure from overpayments	Where overpayments occur, these overpayments are recouped through the sundry debtors system. There is a recovery cycle to recoup overpayments made to employees. There are reports available on the debtors system which detail the overpayments and it is possible to identify the type of overpayment. Progress is being made to reduce the number of overpayments, but it is not always possible to prevent overpayments particularly regarding maternity pay and when staff leave the authority, as this is dependant on when in the year they leave and the amount of holiday they have already taken. HR have been instructed to ensure they inform payroll as soon as they are aware of a leaver to prevent overpayments.	31 st January 2010

Appendices
2



Item No.

13

NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	REVENUE BUDGET 2010 – 2013 – RISK ASSESSMENT OF OPTIONS
---------------------	--

AGENDA STATUS: PUBLIC

Meeting Date:	11 th January 2010
Directorate:	Finance and Support Services
Accountable Cabinet Member:	Cllr David Perkins
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 considers the risk assessment of budget proposals for 2010-13.

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 relevant Heads of Service have completed a risk assessment as part of the MTP Options budget proforma. The risk assessment section scores the different types of risks in relation to the various proposals that they have put forward. It also gives a brief description of mitigation and control options available for these risks. 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 Each Head of Service has carried out a risk assessment of their budget proposals as part of their MTP Option submissions.
- 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 Heads of Service undertaking this risk assessment used the form attached at Annex B in its consideration of the options. Aspects brought into consideration included the proposal not being delivered on time, the proposal not delivering the planned savings, risks in implementation, risk to customers etc. These aspects were assessed on the probability of the risk materialising and the potential impact of the risk.
- 3.2.5 Where a response has not yet been received on the RAG status of a proposal, these have been flagged as red.
- 3.2.6 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 to identify risks and issues that need to be addressed/considered in deciding whether or how to take a proposal forward.

3.3 Choices (Options)

- 3.3.1 The Audit Committee may consider the risk assessment processes and make comments or recommendations to the Chief Finance Officer.
- 3.3.2 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 and Housing Revenue Account budget proposals.

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 2010.

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 Medium Term Planning Risk Assessment Proforma

5. Background Papers

5.1 Cabinet Reports:

16 December 2009 Council Wide General Fund Revenue and Housing Revenue Account Budgets 2010/11-2012/13

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

Annex A

Borough Solicitor						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
16 December Cabinet Options						
	MTP18	Increase in income from sale of Electoral Register	(2,000)	None	01-Apr-10	None
	EFFY71	Reduction of Various Supplies & Services Budgets	(1,620)	None	01-Apr-10	None
	EFFY72	Reduction of Publications Budget	(12,200)	None	01-Apr-10	
	EFFY73	Reduction of Printing & Stationary Budget	(2,000)	None	01-Apr-10	None

Policy and Community Engagement						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
16 December Cabinet Options						
	MTPS73	Remove inflation from community grants budgets, but maintain current level of grant.	(2,000)	None	01-Apr-10	None
	EFFY23	Rationalisation / restructure of the caretaking provision for community centres.	(170,000)			Option does not directly propose closing or restricting the availability of community centres to the public - they are aimed at a more economic and equitable approach to managing and financing them. However it is possible that some centres may cease to be viable or may have reduced opening as a result of the review.

Annex A

Assistant Chief Executive						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
16 December Cabinet Options						
	EFFY1	Restructure of Assistant Chief Executive Office.	(39,043)		01-Apr-10	Subject to staff, HR and union consultations.
	EFFY78	Reduction in budget requirement for corporate consultation	(10,000)		01-Apr-10	None
	EFFY105	Saving following Implementation of current restructuring in ACE	(41,288)			Awaiting RAG status
	EFFY112	Restructuring in Assistant Chief Executive's department	(38,500)		01-Apr-10	Subject to staff, HR and union consultations.

Annex A

Planning						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
16 December Cabinet Options						
	MTP15	Increase in Building Control Table 2 charges by 2%	(2,297)	Under the Building (Local Authority Charges) Regulations 1998 the Local Authority have to publish these increases seven days prior to implementation.	01-Apr-10	Building work has been affected by the current recession and there is a risk that the construction industry may take some time to come out of recession.
	EFFY2	Restructure of Planning Dept.	(7,437)		01-Apr-10	Level of expertise in the Department will be downgraded.
	EFFY5	Cessation of Planners Retention Payments	(24,000)		01-Apr-10	None
	EFFY64	Hold the vacant post of Landscape Architect free for the period of 1 year	(40,943)		01-Apr-10	Department currently has no internal advice in this specialism and buy-in as and when required on specific projects. Given this should be no additional adverse impact on the level of service provided.
	EFFY109	Planning restructure amalgamating support functions	(31,191)		01-Apr-10	This will result in a reduction in the number of staff available to staff reception in Cliftonville House and the duty phones in Planning and could result in a deterioration in customer service levels during holiday periods and staff shortages due to sickness etc.

Annex A

Planning						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
	EFFY110	Planning Restructure re upgrade of fast planning	(24,064)		01-Apr-10	Risk if upgrade of system is delayed.

Annex A

Regeneration and Development						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
16 December Cabinet Options						
	MTPS34&35	Restructure of Regeneration Department	(83,843)		01-Apr-10	Subject to staff, HR and union consultations.
	EFFY103	Reorganise the Planning and Regeneration Departments Support Function into a central support team (deletion of vacant post).	(21,647)		01-Apr-10	Subject to staff, HR and union consultations.

Annex A

Human Resources						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
16 December Cabinet Options						
	MTPS15	Reduction of Corporate Training Budget	(25,000)		01-Apr-10	All staff will be affected by a reduction in commissioned training. Will need to deliver elements of training smarter to continue then type of training available wherever possible.
	MTPS68 & 60	Restructuring within H.R.	(57,500)			This is in relation to the nurse lead scheme.
	MTP119	Provision of NBC internal training courses and assessment centres to other district councils	(20,000)		Mar-11	Will need to ensure marketing of services and benchmarking of costs.
	EFFY82	Reduction in the reliance on agency staff. Target to reduce agency spend by an additional 1%	(20,000)		Mar-11	None
	EFFY85	Savings on cost of recruitment following introduction of a more targeted recruitment process.	(104,125)		Mar-11	Has potential to affect those who do not have ready access to computers.

Revenues and Benefits						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
16 December Cabinet Options						
	EFFY7 & 10	Management re-structure of Revenues and Benefits	(55,594)		01.05.10	Possible risk that new structure is not enough to meet day to day workload if there were considerable increases in caseload/wrok pressures.
	EFFY11	Reduction to overtime costs as a result of changes in working practices	(5,000)	None	Delivered	None
	EFFY12	Reduction on publication costs due to online access to information	(2,000)	None	Delivered	None
	EFFY13	Removal of Comino module that is no longer used. This will have no impact on service delivery.	(2,500)	None	Delivered	None
	EFFY14	Reduced storage costs as a result of an increased level of document imaging	(4,137)		01-Apr-10	None
	EFFY16	Cessation of the use of LOCKTA system for tracing debtors. Use collection agencies as more effective way to trace debtors.	(3,990)		01-Apr-10	None
	EFFY83	Increase debt recovery collection rates. This option is net of the cost of an additional member of staff to facilitate the additional debt recovery.	(29,948)		Mar-11	Difficulty recruiting experienced staff could reduce benefit in year 1.

Annex A

Revenues and Benefits						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
	EFFY92	Restructure in Revenues and Benefits as a result of efficiency projects with Customer Services	(77,685)	15 projects delivered over a 12 month period	Mar-11	Delivery of project dependent on additional DWP funding for 2010/11 - no announcement on distribution of funding has been made as yet.
	EFFY104	Reduced cost of benefit payments as a result of paying by BACS	(43,215)		Mar-11	Costs need to be verified.

Procurement						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
16 December Cabinet Options						
	EFFY91	Procurement Related Savings for discounted rail travel, coach travel, savings on janitorial products, liquid fuels and stationery.	(19,000)		Sep-10	None

Finance and Assets						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
16 December Cabinet Options						
	MTPi6	Introducing charging for surveyors fees in liaison with Legal	(5,000)		01-Apr-10	None
	MTPi7	Introduction of charging for replacement Concessionary Fare Travel Passes	(10,000)		01-Apr-10	Could impact on users that are in financial difficulty
	EFFY3	Reduction of Professional Services Costs in relation to the MEARS contract. The same level of service will be provided but no additional admin overhead will be levied on the Council.	(135,917)		Delivered	None
	EFFY4	Increase maximum investment period for parties on existing counter party list from 30 days to 12 months	(57,000)			
	EFFY 40-46	Savings on renegotiated electricity contracts	(171,245)		Mar-11	None
	EFFY 34 - 39 & 47 & 77	Savings on renegotiated gas contracts	(142,864)		Mar-11	None
	EFFY49-60	Reversal of Supplies and Services Inflation. This efficiency has a nil impact on the overall budget of the Council as inflation is added and removed.	(136,400)	None	Delivered	None
	EFFY61	Efficiency to remove inflationary increase on NNDR budgets. Inflation not required due to revaluation in April 2010.	(20,910)		Delivered	None

Annex A

Finance and Assets						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
	EFFY63	Deletion of a vacant post following centralisation of Exchequer Services.	(21,647)	None	01-Apr-10	None
	EFFY65	Improved use of office space generating external income	(46,108)		Mar-11	None
	EFFY66	Reduced professional services budget due to in house capacity through training and experience	(20,000)	None	01-Apr-10	None
	EFFY70	Reduction in Internal Audit Core System days as a result of the improving nature of the authority.	(15,000)	None		
	EFFY74	Vacant post deletion following processes review	(25,895)	None	01-Apr-10	None
	EFFY75	Leave post vacant for 6 months pending review	(15,000)	None	01-Apr-10	None

Annex A

Customer Services and ICT						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
16 December Cabinet Options						
	EFFY33	Module to merge mail reducing postage	(9,910)		Mar-11	None
	EFFY62	Restructuring of Facilities Management at Cliftonville House with no impact on service delivery.	(4,776)		01-Apr-10	None
	EFFY86	Replacement of existing printers with more modern printers, capable of producing greater quality and greater quantity significantly reducing the need to purchase print externally.	(150,000)			New printer now purchased, so savings should be realised.
	EFFY93	Restructure in Customer Services as a result of efficiency projects with Revenues and Benefits	(77,685)	15 projects delivered over a 12 month period	Mar-11	Delivery of project dependent on DWP funding for 2010/11, awaiting announcement.

Neighbourhood Environmental Services						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
16 December Cabinet Options						
	MTPS41	Remove grant to the BTCV trust, NBC will undertake grounds maintenance in house.	(19,000)			Awaiting RAG status feedback
	MTP11 & 2	Adjustment in cemetery fees by 3% and increase parks sports facilities fees by 4%	(13,236)		01-Apr-10	Reduced uptake of sports facilities
	EFFY6	Removal of bulky waste collection vehicle and use of existing fleet to collect bulky waste	(48,100)	None	Delivered	None
	EFFY87	Reduction of agency budget on cemeteries	(15,000)		01-Apr-10	None
	EFFY88	Adjust agency budget on Graffiti to current level of spend. No impact on service as work being undertaken by existing staff.	(28,470)		01-Apr-10	None
	EFFY89	Adjust agency budget on fly tipping to current level of spend. No impact on service as work being undertaken by existing staff.	(6,210)		01-Apr-10	None
	EFFY97	Delivery of Phase 1 of Efficiency Plan	(770,000)			Awaiting RAG status feedback
	EFFY98	Delivery of Phase 2 of Efficiency Plan	(280,000)			Awaiting RAG status feedback
	EFFY100	Improved contract to take all green waste and silt. This option in the net saving that the council incurs on haulage costs	(421,140)		01-Apr-10	Cost of gate fee paid to Anglian Water is an estimate, if actual is higher saving will reduce

Annex A

Public Protection						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
16 December Cabinet Options						
	MTPS22 & 4	Realignment of CCTV resources to focus on crime hotspots	(43,223)		01-Apr-10	Increased public perception of crime and fear of crime. Ensure consultation is carried out with Estates and Police.
	MTPS59	Restructuring of Public Protection	(61,810)		01-Apr-10	None
	EFFY17	Area Based Grant funding for Anti Social Behaviour will cease in March 2010 therefore budget will not be available	(50,000)		01-Apr-10	None
	EFFY18	Reduction of working hours within Food Safety, Health & Safety and Environmental Protection teams within Public Protection	(25,000)		01-Apr-10	Lack of capacity to fulfill mandatory service if demand increases.
	EFFY19	Adjust budget for clean-up of unauthorised Traveller encampments to current level of spend	(6,480)		01-Apr-10	None
	EFFY20	Restructure of Licensing & Regulatory Services department	(34,697)		01-Oct-10	None
	EFFY21	Termination of standby payments for Licensing Officers	(5,200)		01-Apr-10	None
	EFFY68	Review of Regulatory Services front office and transfer telephone function to contact centre. Delete one post	(17,450)		01-Apr-10	None
	EFFY69	Restructure of Community Safety with reduced management structure. Figure is gross saving (severance costs shown separately). Delete one post	(50,892)		01-Apr-10	Possible reduction in response times to some issues but there would not be any unlawful discrimination.

Annex A

Leisure and Culture						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
16 December Cabinet Options						
	MTPI10 & 12	Additional income for Direct Debit income relating to increased membership sales based on trendline of membership sales	(128,979)		01-Apr-10	Need to ensure promotion of Trilogy Brand to increase income.
	MTPI13, 14, 15, 17 & 11	Additional income from Forum cinema, Fun zone, Personal Training, vending and catering and increased bar functions resulting from increased usage	(55,850)		01-Apr-10	Need to ensure service provided is reliable and of high quality and benefits can be measured to ensure planned savings.
	MTPI16 & 9	Charge for User Cards relating to free swimming at £2.00 per card and additional income for swimming lessons	(90,880)		01-Apr-10	Risk of losing some customers and some goodwill.
	MTPI18	Partnership working with NHS Northants to deliver public health outcomes	(25,000)		01-Apr-10	Some funding streams may not become available at the beginning of the financial year.
	EFFY94	Savings on supplies and services budgets for Leisure Centres	(5,060)			Awaiting RAG status feedback
	EFFY95	Savings on supplies and services budgets for Museums	(4,286)			Awaiting RAG status feedback
	EFFY107	Permanently remove vacant Events Officer Post	(36,852)		01-Apr-10	None
	EFFY108	Permanently remove vacant Business Development Officer post from Leisure Centres	(39,872)		01-Apr-10	None
	EFFY113	Removal of one part time vacant attendant post from Abington Museum	(10,942)		01-Apr-10	Reduces capacity to deal with supervision of visitors. Can affect opportunities for obtaining external funding.

Annex A

Leisure and Culture						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
	EFFY115	Restructuring with Museums within the Leisure and Culture Department.	(149,039)		01-Apr-10	Current exhibitions programme would be reduced. Museums service would be unable to carry out as much work with community groups.

Town Centre Management						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
16 December Cabinet Options						
	MTPI21	Review of current discounts to seasonal ticket holders, town centre residents and overnight parking.	(50,000)		01-Apr-10	Possible negative media attention.
	EFFY29	Reduction of Agency budget with no impact on service	(12,045)		01-Apr-10	None

Housing Needs						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
16 December Cabinet Options						
	MTPI3	Increase Disabled Facilities Grant Administrative Allowance by 2%	(35,000)			
	MTPI4	Revise lifeline rentals by 2.5%.	(75,978)		01-Apr-10	Loss of customers and unaffordability to some customers.
	MTPI20	Increase Choice Base Letting charge to Registered Social Landlords' and Housing Revenue Account (adverts)	(10,000)			
	EFFY30	Remove 1 vacant fte from Private Sector Housing Solutions	(33,202)		01-Apr-10	None
	EFFY32	Reduction in costs relating to Homelessness provision. This reflects a strategic move towards the use of Private Sector Landlords (Bond Guarantee Scheme)	(50,000)		01-Apr-10	None
	EFFY79	Introduction of the Choice Based Letting Scheme for the allocation of vacant dwellings	(32,530)		01-Apr-10	None
	EFFY80	Delete vacant post - Team Leader within Housing Options Team	(51,546)		01-Apr-10	None
	EFFY81	Management agreement at Ecton Lane Travellers' Site	(8,556)		Dec-09	None
	EFFY84	HRA to pay for Housing Advice	(35,000)		01-Apr-10	None
	EFFY111	Restructure of Housing Services	(42,400)			

Annex A

Housing Needs						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
	EFFY114	Agreed reduction in Countywide Travellers Unit delivering same service level at reduced cost	(22,000)		01-Apr-10	Risk that if other partners follow NBC's lead and reduce contributions, CTU may become less able to deliver its service.

Annex A

Housing Strategy						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
16 December Cabinet Options						
	EFFY31	Remove vacant 0.68 fte Admin post from Housing Strategy Team wef Jan 2011	(4,718)		01-Apr-10	None
	EFFY96	Restructure of Housing Service to create employee savings	(112,900)			

Annex A

Director of Finance & Support						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
16 December Cabinet Options						
	EFFY28	Removal of 1 vacant FTE post within Finance and Support Services Administration Team.	(24,317)		01-Apr-10	None
	EFFY101	Savings in facilities staff based on moving out of Cliftonville by 30th May 2010. Subject to SB Report and cabinet decision	(83,333)			This is dependant on the Cliftonville move

Housing Revenue Account						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
16 December Cabinet Options						
	HRA EFFY 1	Removal of 2 vacant posts within the Major Works Team	(66,405)			
	HRA EFFY 2	Reduction in the level of materials expenditure within the Major Works Team	(50,000)			
	HRA EFFY 3	Reduction in the level of materials expenditure within the Major Works Team	(3,000)			
	HRA EFFY 4	Reduction in the levels of consultancy, inspection and incentive expenditure within the Performance Improvement Team	(6,900)			
	HRA EFFY 5	Contract reduction for 1 member of the System Support Team from 1fte to 0.86 fte.	(4,725)			
	HRA EFFY 6	Freeze on the purchase of any new furniture within the Rent Accounting Team.	(2,361)			
	HRA EFFY 7	Cancellation of the annual subscription to TPAS.	(1,800)			
	HRA EFFY 8	Reduction in the number of attendees at future conferences (Customer Engagement Team)	(1,000)			
	HRA EFFY 9	Reduction in the external support required to set up the new Tenant Participation structure.	(8,570)			
	HRA EFFY 10	Reduction in the number of attendees at future conferences (Customer Engagement Team)	(500)			

Annex A

Housing Revenue Account						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
	HRA EFFY 11	Decrease new intake from 4 to 2 trainees from September 2010 onwards (PATH Trainee Scheme)	(22,500)			
	HRA EFFY 12	Reduction to 3 trainees from April 2010 (PATH Trainee Scheme)	(22,435)			
	HRA EFFY 13	Restructure of Housing Department	(65,667)			
	HRA EFFY 14	Restructure of Housing Department	(282,088)			
	HRA EFFY 16	Housing restructure has led to reduced parking costs	(5,802)			
	HRA EFFY 17	Savings on electricity costs following restructure of the Housing Service	(15,202)			
	HRA EFFY 17	Realignment of electricity costs across the HRA - largely relates to Cooper St complex.	(103,040)			
	HRA EFFY 18	Realignment of NNDR costs following the restructure of the Housing Service	(4,577)			
	HRA EFFY 18	Savings on NNDR costs following restructure of the Housing Service	(1,800)			
	HRA EFFY 19	Realignment of telephone costs following the restructure of the Housing Service	(1,970)			
	HRA EFFY 19	Savings on telephone costs following restructure of the Housing Service	(11,080)			
	HRA EFFY 20	Efficiency on Court Costs due to introduction of electronic applications	(10,000)			

Annex A

Housing Revenue Account						
RAG	Ref	Description	Savings for 2010/11	Implementation/Milestones	Date	Risks/Implications
	HRA EFFY 22	Savings as a result of the potential closure of the Brer Court site from April 2010.	(35,030)			

OPTION SHORT NAME - This description appears on the original MTP option

SECTION 1 - CONTACT INFORMATION

KEY SERVICE AREA	
DIVISION	
DIRECTORATE	

SECTION 2 - RISK ASSESSMENT

DISRUPTION OF RISK CAUSE AND IMPACT	INHERENT RISK SCORE (BEFORE MITIGATIONS)			DESCRIPTION OF MITIGATION AND CONTROL ACTIONS AVAILABLE	APPROXIMATE COSTS OF MITIGATION	RESIDUAL RISK SCORE (AFTER MITIGATIONS)		
	IMPACT	PROBABILITY	SCORE (IMPACT X PROBABILITY)			IMPACT	PROBABILITY	SCORE (IMPACT X PROBABILITY)
	Low Risk = 1 / High Risk = 5					Low Risk = 1 / High Risk = 5		
PROPOSAL NOT DELIVERED ON TIME								
SAVINGS PROPOSAL DOES NOT DELIVER THE PLANNED SAVINGS OR ADDITIONAL INCOME								
INVESTMENT PROPOSAL NOT DELIVERED WITHIN BUDGET								
INVESTMENT PROPOSAL DOES NOT DELIVER THE PLANNED OUTCOMES								
RISKS IN IMPLEMENTATION								
RISK TO CUSTOMERS								
RISK TO REPUTATION								
OTHER RISKS - PLEASE IDENTIFY								

RAG STATUS - In opinion of Head of Service (Green, Amber, Red)	
HEAD OF SERVICE SIGNATURE	DATE
DIRECTOR SIGNATURE	DATE

FINANCE USE ONLY

CHECKED BY	DATE
MTP OPTION REFERENCE NUMBER	BBUILD FILE DATE
MEMBER SIGNATURE	DATE

Appendices
1



Item No.

14

NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	External Audit Update
---------------------	------------------------------

AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	11 January 2010
Policy Document:	No
Directorate:	Finance & Support
Accountable Cabinet Member:	Councillor Perkins

1. Purpose

1.1 External audit progress update

2. Recommendations

2.1 To note the attached summary by the Audit Commission.

3. Issues and Choices

3.1 Report Background

3.1.1 Attached is the external audit progress report with the performance against plan summarised on the table on page 4.

3.2 Issues

3.2.1 N/A

3.3 Choices (Options)

3.3.1 N/A

4. Implications (including financial implications)

4.1 Policy

4.1.1 None

4.2 Resources and Risk

4.2.1 None

4.3 Legal

4.3.1 None

4.4 Equality

4.4.1 None

4.5 Consultees (Internal and External)

4.5.1 Head of Finance and Assets

4.6 Other Implications

4.6.1 None

5. Background Papers

5.1 See attached update

**Report Author: Trevor Croote
Audit Commission**

Progress Report

December 2009

Northampton Borough Council

Audit 2009/10

Date

Contents

Introduction	3
Performance against plan	4
The Audit Commission	5
Appendix 1 – Reports issued since last meeting	6

Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
 - any third party.
-

Introduction

- 1 This report sets out progress against the audit work included in our 2009/10 audit plan. In carrying out our audit duties, we have to comply with the statutory requirements governing them, including the Audit Commission Act 1998 and the Code of Audit Practice (the Code).
- 2 The Code defines auditors' responsibilities in relation to:
 - the annual financial statements; and
 - the authority's arrangements for securing economy, efficiency and effectiveness in the use of its resources.
- 3 Our plans are subject to continuous review and refinement to take account of emerging risks, additional work specified by the Audit Commission or other regulators and changes in statutory or professional requirements.

Performance against plan

4 The table below shows the current position on the main areas of our work for 2009/10.

Table 1 2009/10 work

All work is progressing according to plan

Area of work	Target completion date	Current position
Audit Plan (fee letter)	-	Complete. Fee letter issued 8th June 2009.
Joint working protocol - Internal Audit	-	In progress. Draft issued 16th July 2009 - awaiting officer comments.
Joint working protocol - Financial Statement	-	Not yet started.
Opinion Audit Plan	March 2010	Not yet started.
Annual Governance Report	September 2010	Not yet started.
Opinion on the financial statements and value for money conclusion	September 2010	Not yet started. Interim audit planned start date February/March 2010
Final Accounts Report	October 2010	Not yet started.
Annual Audit Letter	November 2010	Not yet started.
Certification of grant claims and returns: summary report.	January 2011	Not yet started.

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

Copies of this report

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0844 798 7070.

© Audit Commission 2009

For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 0844 798 1212 Fax: 0844 798 2945 Textphone (minicom): 0844 798 2946

www.audit-commission.gov.uk

Appendix 1 – Reports issued since last meeting

- 5 There have been no local audit reports issued since the last Audit Committee meeting (16th November 2009).
- 6 The following national Audit Commission local government reports have been published since the last Audit Committee. All reports have been published on the Audit Commission's web site www.audit-commission.gov.uk.
 - Auditing the accounts: Quality and timeliness of local government financial reporting
 - National fraud initiative 2010/11 proposed work programme and scale of fees
 - The Audit Commission's quality review process (annual report 2009)
 - Audit Practice Annual Quality Report

DRAFT

Appendices



NORTHAMPTON
BOROUGH COUNCIL

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

AUDIT COMMITTEE REPORT

Report Title	Internal audit progress report
---------------------	--------------------------------

AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	11 January 2010
Policy Document:	NO
Directorate:	Finance and Support
Accountable Cabinet Member:	Councillor David Perkins

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 2009/10 Internal Audit Plan which was presented to and approved by the Audit Committee at its meeting in February 2009.

An outturn statement detailing assignments undertaken and actual activity for the year is shown in Appendix One. This shows that we have delivered over two thirds of the agreed plan and have either planned or are in the process of scoping work for the remaining reviews.

In addition we have undertaken a specific review of Cash Collection focusing on the controls and processes put into place from September 2009 where G4 Security has been tasked with the collection and banking of income.

At the request of management we have deferred the review of Performance Management as this area has been subject to other review.

Discussions are now underway with the Head of Finance regarding the internal audit plan for 2010/11 and the draft plan will be presented, alongside the draft annual internal audit report for 2009/10 at the March Audit Committee meeting.

We are also aware that the Authority has been included within a review being undertaken by the Audit Commission in relation to the implementation of International Financial Reporting Standards (IFRS). As such we are awaiting the outcome of this review prior to planning or undertaking any work in this area in order to avoid any potential duplication.

3.1.3 Reporting and activity progress

Final reports

The following audit reports are to be issued in final shortly and will be distributed to members of the Audit Committee once finalised. Management responses have been received in relation to these reports, but a few minor amendments and changes have been requested prior to us being able to issue as final reports.

In addition a significant amount of audit work has been performed in November and December 2009 and a number of audit reports issued in draft. We are currently liaising with management to obtain responses for these reports and they will be issued as finals prior to the March 2010 Audit Committee.

- **09_10 NBC 04 Grounds Maintenance** – The review focussed upon the level of control in place over identifying works to be undertaken, completion of works, allocation and collection of costs incurred and an assessment of value for money. Overall we identified 7 weaknesses with 3 being assessed as High Risk. As such we gave **No assurance** over the system and controls in place. Details of the 3 High Risk issues identified are shown below:

- The Authority does not have in place a system to accurately detail each of the tasks currently being performed by the Grounds Maintenance Department, along with an associated cost and the quality specification being worked to.

As such given that consideration is being given to market testing this service, any comparison of like for like costs may be difficult.

- The Department does not have in place a schedule of all work to be performed during the year along with the timing and frequency of the work, time allocated to completing it and any monitoring against this.

As such it is difficult to assess how well staff are being utilised given the work they have performed and the costs being incurred when performing specific tasks.

- During our review of the Grounds Maintenance budget it was noted that already there is an expected overspend of nearly £180,000 with no savings yet identified in relation to how this can be reduced.

Within this the current overtime budget was also showing a forecasted overspend of £30,000.

In addition during our review we identified the following issues in relation to value for money:

- No preferred supplier list and instances noted where quotations are not being obtained;
 - No scheduling or performance management of work being performed; and
 - Budgetary overspend forecast.
- **09_10 NBC 07 Legal Services** – The review focused on the systems and processes in place within the Legal Services function for ensuring that adequate control is exercised over contracts placed and governance arrangements. Overall we were able to give a **Moderate** level of assurance, although we did identify 5 weaknesses, 1 of which has been assessed as High Risk and is shown below:
 - At the time of audit, the Authority had not yet implemented a comprehensive contracts register. This was originally raised as an audit recommendation in 2007/08.

Through discussion with Procurement and the Legal Department it was determined that both services are aware of the need to merge records to develop a comprehensive record but at the time of our review this had not taken place
 - **09_10 NBC 09 Risk Management & Business Continuity** – Our review focussed upon the arrangements in place at the Authority in order to manage risks and ensure business continuity in the event of an unforeseen event disrupting services. Considerable strides have been taken at the Authority in relation to Risk Management and Business Continuity Planning since the appointment of the Risk and Business Continuity Manager. Not only is there a greater appreciation of Risk Management and Business Continuity at the Corporate level, but Service Level involvement has also increased. As such there has been more meaningful evaluation of risks and business continuity at this level and service plans put in place to manage risks. It is appreciated that further work is still required, but a

number of actions are already planned or in progress and it is anticipated that these will address many of the issues identified within our report. Overall 14 weaknesses were identified all of which have been assessed as medium or low risk. As such we were able to give a **Moderate** level of assurance over the systems and controls in place.

2009/10 Draft reports:

We have issued the following reports in draft format and are awaiting management responses. These reports will be finalised prior to the March 2010 Audit Committee Meeting:-

- 09_10 NBC 05 Freedom of Information and Data Protection (Follow up)
- 09_10 NBC 06 VAT (Follow up)
- 09_10 NBC 10 General Ledger
- 09_10 NBC 11 Cash Collection
- 09_10 NBC 12 Debtors
- 09_10 NBC 13 Creditors
- 09_10 NBC 14 Housing Rents
- 09_10 NBC 15 Treasury Management
- 09_10 NBC 17 Council Tax

2009/10 Fieldwork completed

We have also recently completed our fieldwork in the following areas:-

- Payroll
- Budgetary Control
- Bank Reconciliations
- PAYE
- Partnerships

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 Support 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 extracts

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	8	8	Draft Report
▪ Creditor Payments	10	10	Draft Report
▪ Payroll	10	9	Fieldwork completed
▪ Budgetary Control	8	7	Fieldwork completed
▪ Council Tax	8	8	Draft Report
▪ Non Domestic Rates (NDR)	6	6	Final Report
▪ Bank Reconciliations	10	9	Fieldwork completed
▪ Cashiers	8	8	Controls work performed
▪ Treasury Management	8	8	Draft Report
▪ Housing Benefits	10	1	Audit commencing 12 January 2010
▪ Fixed Assets	6	1	Audit commencing 11 January 2010
▪ Housing Rents	8	8	Draft Report
▪ Miscellaneous Income	5	2	Controls work performed
▪ IFRS Healthcheck	5	0	Quarter 4 (See Audit Commission work)
▪ PAYE	10	9	Fieldwork completed

Planned activity	Planned days	Actual days	Status
2. Operational system reviews – risk based assurance			
▪ Legal Services	10	10	Draft Report
▪ Human Resources	15	1	Scope being agreed Q4
▪ Grounds Maintenance	10	10	Draft Report
▪ Contract Audit	10	0	Quarter 4
▪ Partnerships	10	9	Fieldwork completed
▪ Citizen Engagement (Including Housing Tenants)	8	0	Quarter 4
▪ ICT audit	20	1	Quarter 4 (scope being agreed)
▪ Home Renovation Grants	10	10	Final Report
▪ Health and Safety	8	8	Final Report
▪ Closedown reports	10	0	Quarter 4

Planned activity	Planned days	Actual days	Status
3. Strategic – performance assurance			
▪ Risk management & Business Continuity Arrangements	15	15	Draft Report
▪ Governance – management information	10	0	Quarter 4
▪ Performance management and improvement delivery	10	0	(work deferred at request of management)
▪ Anti fraud and corruption	15	0	Quarter 4 (scope being agreed)

Planned activity	Planned days	Actual days	Status
4. Other			
▪ Specific follow up reviews:	5	5	
➤ Freedom of Information & Data Protection			Draft Report
➤ VAT			Draft Report
▪ General follow up	10	12	TeamCentral training maintenance and follow up
▪ NFI	12	15	Data matches being investigated
▪ Audit Management	18	15	
Total	334	213	
Plus additional work (see table below)		10	
Outturn		223	

Additional Work	Planned days	Actual days	Status
5. Further work undertaken at request of Management <ul style="list-style-type: none"> ▪ Cash Collection 	10	10	Draft Report

Appendix Two





Assignment	Critical	High	Medium	Low	Total	Overall assurance rating	Direction of travel
09_10 NBC 01 NDR	0	0	3	7	10	Moderate	↓
09_10 NBC 02 Home Renovation and Disabled Facilities Grants	0	1	6	4	11	Moderate	N/a
09_10 NBC 03 Health & Safety	0	0	1	2	3	Moderate (with improvement)	↑
*09_10 NBC 04 Grounds Maintenance	0	3	4	0	7	No Assurance	N/a
*09_10 NBC 05 Freedom of Information and Data Protection Follow up	0	0	0	8	8	N/a	N/a
*09_10 NBC 06 VAT Follow up	0	0	1	0	1	N/a	N/a
*09_10 NBC 07 Legal Services	0	1	3	1	5	Moderate	N/a
*09_10 NBC 09 Risk Management & Business Continuity	0	0	7	7	14	Moderate	N/a
*09_10 NBC 10 General Ledger	0	0	6	5	11	Limited	↔
*09_10 NBC 11 Cash Collection	0	0	8	2	10	Moderate	N/a
*09_10 NBC 12 Debtors	0	5	6	3	14	No Assurance	↑ (limited improvement)
*09_10 NBC 13 Creditors	0	0	10	2	12	Agresso – Moderate Uniclass – No Assurance	↔
*09_10 NBC 14 Housing Rents	0	0	5	7	12	Moderate	↑

*09_10 NBC 15 Treasury Management	0	0	0	0	0	High	↑
*09_10 NBC 17 Council Tax	0	0	5	2	7	Moderate	↔
Total	0	10	65	50	125		

(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 December 2009

Year	Number of recommendations made	Implemented / Closed	Outstanding
2008/09	284	202	82 (17 not yet due)
2009/10	22	22	0

The table below shows the position as at 17 December 2009.

Note:

- Only finalised reports are being tracked through TeamCentral

Review and number of recommendations still pending as at 17 December 2009	High Risk & Outstanding	Outstanding & overdue	Not yet due	Imp. Awaiting verification	Closed
Project : 08_09 NBC 01 - Cashiers (19)	-	-	-	-	19
Project : 08_09 NBC 02 - Freedom of Information & Data Protection (15)	1	9	-	6	-
Project : 08_09 NBC 03 – Expenses (11)	-	4	1	5	1
Project : 08_09 NBC 04 - Environmental Health (6)	-	1	-	5	-
Project : 08_09 NBC 05 - NNDR (6)	-	-	-	-	6
Project : 08_09 NBC 06 – Call Out Arrangements (10)	2	2	5	3	-
Project : 08_09 NBC 07 – Treasury Management (8)	-	-	-	8	-
Project : 08_09 NBC 08 - Housing Rents (14)	2	8	-	1	5
Project : 08_09 NBC 09 - Council Tax (6)	-	-	-	6	-
Project : 08_09 NBC 10 – Payroll (22)	-	3	3	12	4
Project : 08_09 NBC 11 - Car Parking Income (15)	1	3	-	11	1
Project : 08_09 NBC 12 - Fixed Assets (12)	-	4	1	2	5
Project : 08_09 NBC 13 - Creditors (16)	-	9	0	7	-
Project : 08_09 NBC 14 - Debtors (18)	1	2	-	12	4
Project : 08_09 NBC 15 - General Ledger (11)	-	1	-	8	2
Project : 08_09 NBC 16 - Budgetary Control (4)	-	-	1	2	1
Project : 08_09 NBC 17 - Fuel Management (11)	1	8	-	2	1
Project : 08_09 NBC 18 - Housing Management - Temporary Accommodation (11)	-	-	-	-	11
Project : 08_09 NBC 19 - Leisure Centre Income (17)	-	4	-	9	4
Project : 08_09 NBC 20 - Petty Cash (10)	1	1	5	2	2
Project : 08_09 NBC 21 - Concessionary Fares (6)	-	-	-	6	-
Project : 08_09 NBC 22 - VFM/Procurement (11)	-	4	-	7	-
Project : 08_09 NBC 23 - VAT (5)	-	1	-	4	-

Review and number of recommendations still pending as at 17 December 2009	High Risk & Outstanding	Outstanding & overdue	Not yet due	Imp. Awaiting verification	Closed
Project : 08_09 NBC 24 – Agresso 5.5 Post Implementation Review (8)	1	1	1	5	1
Project : 08_09 NBC 24a – Housing Benefits (8)	-	-	-	8	-
Project : 08_09 NBC 25 – Regeneration and LDS (4)	-	-	-	2	2
Project : 09_10 NBC 01 - NNDR (10)	-	-	-	9	1
Project : 09_10 NBC 02 - Home Renovations and Disabled Facilities Grants (9)	-	-	-	2	7
Project : 09_10 NBC 03 - Health and Safety (3)	-	-	-	2	1

© 2010 PricewaterhouseCoopers LLP. All rights reserved. "PricewaterhouseCoopers" refers to the PricewaterhouseCoopers LLP (a limited liability partnership in the United Kingdom) or, as the context requires, other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

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 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 [insert client's name] shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, [insert client's name] 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.