NORTHAMPTON BOROUGH COUNCIL

AUDIT COMMITTEE

Your attendance is requested at a meeting to be held in the Jeffrey Room, Guildhall on Thursday, 22 October 2009 at 6:00 pm.

D Kennedy
Chief Executive

AGENDA

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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 UPDATES Report of Director of Finance and Support	S. Morrell X 8420
7.	FORMER TENANT ARREARS Director of Finance and Support	R. Bates X 7119 & C. Ansell X 8584
8.	STRATEGIC BUSINESS REVIEW Director of Finance and Support to report.	I. Procter X 8757
9.	IBS PROJECT Director of Housing to Report.	B. Queen X 7174
10.	PLANNING APPLICATIONS Director of Planning and Regeneration to Report	S. Bridge X 8921
11.	DATA PROTECTION AND FOI Report of the Borough Solicitor	D. Marten X 7596
12.	INTERNAL AUDIT UPDATE Report of the Internal Auditor	C Dickens, Internal Auditor (PWC)

13. EXCLUSION OF PUBLIC AND PRESS

THE CHAIR TO MOVE:
"THAT THE PUBLIC AND PRESS BE EXCLUDED FROM THE REMAINDER OF THE MEETING ON THE GROUNDS THAT THERE IS LIKELY TO BE DISCLOSURE TO THEM OF SUCH CATEGORIES OF EXEMPT INFORMATION AS DEFINED BY SECTION 100(1) OF THE LOCAL GOVERNMENT ACT 1972 AS LISTED AGAINST SUCH ITEMS OF BUSINESS BY REFERENCE TO THE APPROPRIATE PARAGRAPH OF SCHEDULE 12A TO SUCH ACT."

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		Item No. 6

NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Risk Management Update

AGENDA STATUS: **PUBLIC**

Meeting Date:	22nd October 2009
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   At the Committee meeting on 2nd June 2009, the Audit Committee requested for an update of the Strategic Risk Register to be submitted at the next Committee meeting.

3.2 Issues

3.2.1   Management Board undertook a quarterly review of the new Strategic Risk Register on 3rd September 2009. Management Board reviewed outstanding actions, discussed the new risks and ensured awareness of the high risks. The Strategic Risk Register and quarterly review process provide an early warning system to alert Management Board to potential opportunities and threats. 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.*

3.2.2 The Risk and Business Continuity Manager will undertake a workshop at a forthcoming Corporate Briefing to further highlight the expectations on Heads of Service in managing the Council's strategic risks.

3.2.3 The implementation of P+ for the management of the Council's risk registers is entering the final stages. Over 25 Risk Coordinators have been trained to use the P+ risk management module. We are currently working with the Risk Coordinators to cleanse the data and aim to start monthly reporting in November.

3.2.4 As we enter the 2010/11 Service-Planning cycle, risk management will again feature as an integral part of this process. Heads of Service will review their current risk registers against their new service objectives and update and realign their registers accordingly.

3.2.5 In line with the Council's business continuity planning, a list of the Council's critical functions has been through a final challenge with Directors and will shortly be going to Management Board for approval.

3.2.6 All service areas that have critical functions have now produced well developed draft continuity plans covering each of the critical functions within their area. The next step in the business continuity planning process is to undertake a series of desktop and live exercises to test the plans and incorporate any lessons learned.

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

4.6 How the Proposals deliver Priority Outcomes

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

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

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

4.6.4 Reduction in interruptions to service delivery.

4.6.5 Continuity of critical Council activities.

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

4.6.7 Better-informed decision-making throughout the Council.

4.6.8 Protecting and enhancing the reputation of Northampton Borough Council.

4.7 Other Implications

4.7.1   Not applicable

5. Background Papers

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

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

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 *(assume no controls)*			Mitigation Actions and Controls	Residual Risk Scores			Progress update and estimated completion date
								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 - **TH**. 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.**The Corporate communications team have increased their capacity as at end August 09 this will enable the development of a comprehensive communications strategy for the council **CB. 4.** Revision of Community Engagement Strategy included as project within draft Change Plan; for completion by end December 2009 **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. 2. Develop innovative community engagement plans by working with community leaders and other partners that ensure an all inclusive approach. 3. Ensure that a whole council approach to the diversity agenda is adopted and relevant legislation understood. 4. Effectively manage the use of impact assessments to help shape services - **ALL ACTIONS TH.**	4	2	8	**1.** Very significant task and challenge, joint responsibility with Performance and Improvement. Not likely to be complete before March 2011 **TH**. **2.** Revision of Community Engagement Strategy included as project within draft Change Plan; for completion by end December 2009 **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. CESG has a role in monitoring the effectiveness of this **TH**.
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	CES implemented with further publicity and engagement planned Sept/Oct. Customer Consultation complete re: Customer Charter with launch planned for Sept. Service Migration Project started with EH migration underway. Further publicity and engagement is planned during Oct. Projected completion date end of Dec 2010. Mystery Shopping Programme has been undertaken with results due end of Aug 09. Customer feedback/surveys for F2F, Web and Phone contact being undertaken on a monthly basis with action plans developed as a result. Customer Consultation regarding standards and charter has been ongoing since Apr 09. Some of this has been with the Police and Fire Services. Further joint consultation with NCC was planned, however, they are now not in a position to undertake this so will base their charter on ours. Future mystery shopping measures are planned to include measurement of standards against delivery and those results will be known in Dec 09. Meeting with TH/SK planned to disseminate consultation results and plan publicity/communication externally around Customer Charter and expectations - planned completion Dec 2009 **MG**.

Ref	Objective	Type	Owner	Lead	Risk	Cause	Consequence	L	I	Score	Controls / Actions	L	I	Score	Update / Comments
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. Further joint consultation with NCC was planned, however, they are now not in a position to undertake this so will base their charter on ours. Future mystery shopping measures are planned to include measurement of standards against delivery and those results will be known in Dec 2009. Meeting with TH/SK planned to disseminate consultation results and plan publicity/communication externally around Customer Charter and expectations - planned completion Dec 2009 **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.** A Housing investment option paper was discussed by Cabinet in July and a number of options will be subject to further development work **IM. 3. No update. 4.** Management Board report on 'mainstreaming' equalities adopted spring 2009; actions to be monitored by CESG. See also comments under ST2 **TH.** 3/9/09 - *Note from Management Board - Lesley Wearing will pick this up with CC and SB.*
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 project actioned and effective. Gateway feature on time for March 10 action. Gold Street complete. Bids for Abingdon Street and THI in Gold street started. Beckets Park marina funded and actioned. Parks and Open Spaces strategy out to consultation. EOI for Beckets Park next phase submitted **DB.**
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.** Communication strategy a separate responsibility. Customer feedback from consultations within Customer Services is being posted on the website **MG.**

Ref	Objective	Type	Group	Owner	Cause	Risk	Consequence	L	I	Score	Action	L	I	Score	Update
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

Ref	Objective	Type	Group	Owner	Cause	Risk	Consequence	L	I	Score	Action	L	I	Score	Update
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 Inspection reports received in the first quarter of the year have been positive and support improvement to our profile. Application for LGC award ' most improved Council' being made for Nov 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

Ref	Objective	Type	Group	Owner	Cause	Risk	Consequence	L	I	Score	Action	L	I	Score	Update
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	6	**1.** Skills audit programme procured, system currently being developed. launch Sept 09 **CW. 2.** People strategy due to informal board Sept 09. Action plans developed for 4 strands of PS. Formal consultation - Oct - Nov; Launch Jan 10 **CW. 3.** SBR process underway for identified services, shared service options also being considered where appropriate **DR. 4.** ICT SBR initiated. Draft Strategy and Delivery Plans for ICT in place. Assistant Head of ICT appointed and plans/strategies to have his input before formal adoption/communication **MG. 5.** Current Corporate Business Planning Process is based on three year forward view to demonstrate achievement of ambition **DR. 6.** Vision/ values and behaviours worked started through board development programme. VV day Oct 09 **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 DR. 08/09 UoR completed by KPMG and AC moderation to take place. Positive discussions on result due, indicatively in Sept. Requested detailed feedback to work on areas within 09/10 ready for next years review **GC.** **8.**Accom review forming part of Assets SBR that has now commenced. Draft PID in circulation as at 18th August **GC. 9.** Service improvement plans are integrated into service planning and monitored via PMF. **10.** Budget process for 10/11 well underway. To be set in Feb, however, much for all service to do **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 is being drafted/updated and will be presented to Board/Cabinet shortly **GC**.

Ref	Objective	Type		Owner	Cause	Risk	Consequence	L	I	Score	Controls/Actions	L	I	Score	Progress
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 - **ALL HoS**. 5. Review of constitution - **FF**.	2	1	3	1. Officer Working Group to be set up and suggested changes the Constitution to be made by end of financial year (by end of March 2010) **FF**. **2**. Gap analysis currently underway **FF**. **3**. PWC audit actions monitored via PMF **DR**. **4. Action owner tbc. 5.** Workplan for review of the constitution currently underway **FF**. *3/9/09 - Note from Management Board - Diana Marten is the owner for action 4, include delivery of action plan to achieve effective officer delegation.*
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**.				1. As part of ST13 action 6 **CW**. **2 and 3**. A process for the development of comprehensive communications plans is in place for all key projects/activities. This will continue to be developed. Internal communication will be increasingly addressed over the next 6 months **CB**.
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**.				Board development programme implemented. PRP scheme will provide some embedding within SMT. ST13 point 6 will provide further embedding within the organisation **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**.				1. Board Development programme has started to consider this approach. Review of Managers Briefing sessions to be considered by board Oct 09 **CW**. **2.** Reward and recognition strategy commissioned august 09. Launch Dec 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**.				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**.

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**.				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 **CW**.

Key

TH	Thomas Hall
MG	Marion Goodman
BQ	Brian Queen
CC	Chris Cavanagh
SB	Sue Bridge
DD	Deborah Denton
DM	Diana Marten

CW	Catherine Wilson
FF	Frances Fernandes
GC	Gavin Chambers
DR	Dale Robertson
SW	Simone Wade
MB	Management Board
SE	Steve Elsey

Appendices		Item No. 7

NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Former Tenant Arrears

AGENDA STATUS: **PUBLIC**

Audit Committee Meeting date:	22/10/2009
Policy Document:	No
Directorate:	Finance and ICT
Accountable Cabinet Member:	Councillor David Perkins

1. Purpose

1.1 At the 2nd June 2009 meeting of the audit committee a request was made for a report on former tenant arrears. This was to include information relating to the bad debt provision and the corporate write off policy.

2. Recommendations

2.1 The debt recovery team continue work on data cleansing all systems holding historic debt owed to the Council,

2.2 As a result of data cleansing all inactive debt is reviewed and action taken as appropriate. Actions include:

- Setting up agreement with a customer where they can be traced,
- Using available databases to trace debtors,
- Deductions from benefits,
- Referral to collection agencies,
- Action through the courts and use of bailiffs,
- Write off,

2.3 Work continues with service areas to ensure all measures are taken to avoid overdue debt occurring in the first place.

2.4 In connection with 2.3 ensure accountability of Departments through accurate reporting of avoidable overdue debt being created i.e. where we utilise collection

agencies there is a loss of approximately 17.5p in every £1 collected through charges. Where a debt was avoidable this is effectively a cost being occurred by the originating service unit,

2.5 Upon completion of data cleansing accurate monthly monitoring reports and targets will be set against historic and current overdue debt.

2.6 A review of the current write off policy and completion of an associated Equalities impact Assessment will be completed towards the end of 2009,

2.7 Creation of a cross department corporate debt / fair debt policy will also be developed in line with the review of the write off policy. The first draft will be available by the end of 2009.

2.8 Recovery procedures and processes to be reviewed to ensure they are appropriate comply with best practice and are cost effective.

3.1 Issues and Choices

Report Background

3.1.1 Tenants find themselves in rent arrears for a variety of reasons including unemployment, ill health, and marriage or family breakdown and spending more than they can reasonably afford for example, through credit cards or loans. The Housing Department are reviewing procedures to ensure that appropriate advice is given to tenants and that enforcement action is taken when required. Initiatives include a rent collection strategy that specifically addresses prevention issues and a self help pack for tenants who find themselves in debt.

3.1.2 Historically Northampton Borough Council has had high levels of overdue debt outstanding within various service units. As a result the subsequent bad debt provisions for some areas are set high, having a detrimental effect on the money available to spend within the general fund and the housing revenue account as essentially through setting a high provision the debt outstanding will not be expected to be recovered. Data cleansing and work on outstanding debt will better identify the level of debt we expect to collect and therefore reduce bad debt provisions for future years.

3.1.3 As a result of the historic high levels of debt and from the end of July 2009 a new corporate debt team was formed from members of the old exchequer services team. The new teams purpose is to actively seek recovery of overdue debts owed to the Council. The team is part of the revenues and Benefits Department, who have extensive experience of the collection and recovery of debts owed to the Council. The new team have responsibility for recovery of overdue debt as follows:

- Former Tenant Arrears,
- Sundry Debts,
- Housing Benefit overpayments,
- Temporary Accommodation,
- Housing Repairs,

3.1.4 An initial summary of debt owed through former tenant arrears and the current bad debt provision is shown below:

Former Tenant Arrears Debt analysis Summary	Oct-09
Total Debt IRAS system	£193,237
Total Debt IBS System	£1,332,327
Grand Total	£1,525,564

Breakdown of total:

Debt not yet overdue	£22,089
Debt in recovery	£132,848
Debt where payments being received	£300,768
Data cleansing / no action being taken	£1,069,858

Summary of debt in progress vs Inactive:

Total debt where action or payments being made **(A)**	£455,706
Total debt where data cleansing / no action **(B)**	£1,069,858

3.1.5 Work on reviewing debt outstanding on former tenant arrears has already commenced. Through work completed during the last financial year, a total of £590,000 was identified and subsequently written off as un-recoverable. This will have been through various problems including the age of debt and the inability to trace absconders / debts that have moved away.

3.1.6 Debt shown in figure A of the table represents the total amount we are either receiving instalments / payments or those debt that we are taking action on through debt collection agencies / court action etc.

3.1.7 The debt shown in figure B of the table represents the debt that we are data cleansing to enable recovery action, where appropriate, to be initiated.

3.2 Issues

3.2.1 Extensive data cleansing is being undertaken to ascertain the stage historic and current debt has reached in the recovery process. This involves development of existing systems to enable accurate and timely system generated reports. This particularly relates to the IRAS (sundry debtors) and IBS system in housing.

3.2.2 Alongside the management reporting aspects, service re – design and consultation across Departments is underway. This is to address specific requirements moving forward around:

- Minimising debt occurring in the first place, particularly through the timely assessment of benefits,
- Ensuring that services by the Council are paid up front where possible i.e. housing repairs, rental of meeting rooms etc.

- Ensuring the completion of housing benefit forms IRO temporary accommodation,
- Maximising benefit through prompt completion of benefit forms at tenancy sign-ups,
- Completion of processes and procedures between Departments and debt recovery team to ensure all debt referred / showing as overdue is accurate i.e. all appropriate reminders, efforts to ensure prompt payment, reconciliation of actual payments have been completed prior to referral / when picked up as overdue by the dent recovery team.

3.2.3 Existing write off policy **(AT APPENDIX A)** did not have an Equalities Impact assessment completed,

3.2.4 A corporate debt policy / fair debt policy is required to ensure recovery is fair when considering individual circumstances and that Corporately we have an priority of debt recovery across Departments i.e. If we have two debts within two separate departments, which takes priority? The Audit Commission recommends that organisations develop corporate debt policies so that staff have clear direction as to which debt a tenant should pay first.

3.3 Choices (Options)

3.3.1 There are options to create additional posts within the team to ensure that over the next 18 – 24 months we increase collection, whilst work to data cleanse and develop ongoing relationships and procedures are completed. Through additional resource bad debt provisions could be reduced, whilst we also increase the debt collected through recovery.

3.3.2 A project is underway to commission a piece of work to create a single view of debtor across all corporate debt areas. This will aid work on an equalities impact assessment that will lead to a fair debt/corporate debt policy, alongside a review of the write off policy. This work will also enable faster review of existing debt and the associated data cleansing. The likely success of this work should also negate the need for additional staff (above).

4. Implications (including financial implications)

4.1 Policy

4.1.1 Creation of Corporate Debt Policy as detailed,
4.1.2 Review of corporate write off policy as detailed,

4.2 Resources and Risk

4.2.1 Additional resource to deliver increased collection both short – term and into the future reducing level of bad debt provisions (again success of 3.3.2 should negate this need),

4.2.2 Moderate level of risk in increasing collection due to the current economical downturn. However collection of debt associated with Business Rates and Council Tax are showing signs of returning to normal after reduced collection between February 2009 and June 2009.

4.3 Legal

4.3.1 Policies and procedures will be reviewed by legal as part of the process in formulating a policy.

4.4 Equality

4.4.1 All policies will require a full equality impact assessment.

4.5 Consultees (Internal and External)

4.5.1 Consultation with Welfare agencies, housing associations and external bailiff and collection organisation may be undertaken as part of any policy creation.

4.6 Other Implications

4.6.1 N/A

5. Background Papers

5.1 N/A

Report Author: Robin Bates / Christine Ansell / Finance

Northampton Borough Council

FINANCIAL INSTRUCTION

AR04   Write-Offs

1.   Overview & Background

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

2.   Scope

2.1   Where reference is made to the Director of Finance and Support within this document, that shall extend to any nominated representative of the Director of Finance and Support.

2.2   This Financial Instruction covers all operations and systems for raising and recording debt throughout the Council.

2.3   For the purpose of this Financial Instruction and the procedures underpinning it, the term 'Write-Off' shall include all housing benefit overpayments that cannot legally be pursued.

2.4   This write-off instruction outlines the circumstances where debt will be submitted for write-off, and all members of staff must adhere to the rules set out in this instruction.

3.   Instructions

3.1 Write-off Process
3.1.1 A write-off will only be considered once all debt recovery processes possible for that debt have been completed.

3.1.2 All proposals for write-offs must be recorded on the standard write-off form (Appendix A). This is the existing form, however, the process will be reviewed in light of this financial instruction and processes/forms amended as necessary. All write-offs will be approved within the departments concerned prior to submitting to the Director of Finance and Support for final approval. Authorisation levels for Write-Off are shown at 3.3 below. No write-off may be actioned on the Council's systems prior to this approval being received.

3.1.3 Write-Offs will only be considered for one of the reasons detailed in 3.2 below.

3.1.4 All authorised write-offs will be input into the relevant computer system or recorded in the relevant manual records. An audit trail of all recovery actions will be maintained on those systems. The write-off documentation will be retained and a reconciliation between the

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

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

3.2   Reasons for Write-off

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

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

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

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

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

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

3.2.5 Bankruptcy / Insolvency / Administration Order
Where a formal Bankruptcy Order, or Individual Voluntary Arrangement (IVA), is made against the liable person, the balance outstanding up to and including the date of the order will be submitted for write-off. A claim

for this amount will be submitted to the Trustee. In the event of a dividend being paid by the Trustee, this amount will be written back on to the account.

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

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

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

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

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

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

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

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

3.2.10 Recovery procedures exhausted
For cases where all recovery procedures have been pursued and have failed, the outstanding balance will be written off. Any write-off falling into this category will be heavily scrutinised to ensure that the write-off is valid and the reason is accurate and not due to poor practices or processes.

3.3 Authorisation

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

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

3.3.1 Value less than £100

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

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

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

3.3.3 Individual indebtedness Debt Valued £10,000 or more

Where the value of debt to the Council carried by a customer is £10,000 or more, (including the debt being proposed for write-off), a report must be produced for Cabinet by the Service Department justifying the reasons for write-off and Cabinet approval must be received prior to any write-off being actioned. These must be signed off by the relevant service manager and where deemed appropriate for write off, by the Head of Service, Director and the Director of Finance & Support on the summary template, prior to being submitted to Cabinet.

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

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

4. Reporting

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

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

5. Specific Responsibilities

5.1 Cabinet
5.1.1 Approval of write-offs over specified limits.

5.2 Chief Executive
5.2.1 None

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

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

5.4 Director of Finance and Support.
5.4.1 To approve or reject write-offs as appropriate

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

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

5.5 Heads of Service

5.5.1 To approve or reject write-offs as appropriate

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

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

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

5.6 Officers
5.6.1 To adhere to this Financial Instruction

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

Appendices: -
  AR04APP1   Write-off Proforma

Appendices 0		Item No.
		10

NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	**Planning Applications**

AGENDA STATUS: **PUBLIC**

Audit Committee Meeting Date:	22nd October 2009

Audit Committee Meeting Date:	22nd October 2009
Policy Document:	No
Directorate:	Planning & Regeneration
Accountable Cabinet Member:	Cllr Church

1. Purpose

1.1 To receive a progress report on the implementation of the findings and recommendations of the Internal Audit Report 2007/08 Planning Applications Review.

2. Recommendations

2.1 To note the report and actions to date.

3. Issues and Choices

3.1   Report Background

3.1.1 The Committee has requested a progress report on the outstanding actions from the 2007/08 Internal Audit Report: Planning Applications Review

3.2   Issues

3.2.1 N/a

3.3 Choices (Options)

3.3.1 The Planning Department has been restructured and new Management has been brought in since the audit was conducted in February 2008.

3.3.2 As a result new processes and operating procedures have been introduced. The Service Plan and Data Quality Action Plan have been reviewed and updated and performance significantly improved.

3.3.3 The most significant improvement to impact on the findings of the Internal Audit Review has been the commencement of the up-grade of the Development Control operating system Fast Planning. This commenced early in 2009 and scheduled to be completed during the 2010/11 financial year. This includes all officer training, all the necessary data capture and installation of new monitoring systems. On completion it will include appeals and enforcement and all constraints will be mapped on the GIS. This is a major project to improve service delivery and accessibility to the planning services. The project is being funded from Housing Planning Delivery Grant

3.3.4 The findings of the Audit Report are, therefore, being addressed as set out in the table below. This includes actions which may have been shown previously as completed actions. These are being re-addressed as part of the total system up-grade:

Medium Risk Areas	
No standardised training scheme for Planning Officers	In place from September 2008 reviewed and updated during 2009 Appraisals. Intensive 1:1 training in new systems being rolled out to all officers.
Procedure notes for Planning Applications process are not up to date	All procedure notes have been reviewed. The Development Control computer system is currently being updated and new procedure notes are being written for all activities. These will be completed for each activity when the updated systems are fully operational.
Timely serving of enforcement notices	Serving an enforcement notice is an action of last resort. Negotiating problems away is always preferable. Each case will be considered on its merits in discussion with the Borough Solicitor.
Complaints not being processed on a timely basis	All complaints are dealt with in accordance with the Council's complaints policy and are monitored through the CRM monthly.
The Authority is not meeting BVPI targets	Some BVPIs have been replaced with National Indicators. The targets for the Department were reviewed and updated as part of the 2009/10 Service Plan. Targets are monitored monthly as part of the Council's CPR. The Department is still not meeting the national quality of service, but this is being addressed as part of the up-grade of the Computer System. This target (100%) should be achieved by 1st April 2010.

Risk that planning applications are not being dealt with consistently and in line with procedures	This has been addressed by appointing new management and a new Principal Planning Officer to strengthen the depth of experience of the team. NI157 is being met. The 2009 audit found that these matters had been addressed.
Low Risk Areas	
Planning Applications may be processed without considering all necessary aspects	A local validation list has been prepared. This will be reviewed in line with national guidelines in 2010 with publication of new regulations in April 2010.
The full benefits of not using the Comino system are not being realised	The task of back-scanning is an on-going project. All files from 2005 to date are now stored electronically. The interface between Comino and Fast Planning is being rationalised through the current up-grade of Fast Planning.
No record of pre-application advice exists	A new protocol for pre-application advice was introduced in June 2009. All pre-application advice is recorded and is stored on Fast Planning. The new protocol ensures continuity between the officer giving advice at pre-application stage and the case officer who deals with the application. Ideally and usually this is the same officer.

4. Implications (including financial implications)

4.1 Policy

4.1.1 N/a

4.2 Resources and Risk

4.2.1 None

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 Borough Solicitor, Senior Freedom of Information Officer, GIS Team Leader, Head of ICT and Customer Services.

4.6 Other Implications

4.6.1 N/a

5. Background Papers

5.1   N/a

Report Author: Sue Bridge
Head of Planning

NORTHAMPTON
B O R O U G H   C O U N C I L

AUDIT COMMITTEE REPORT

Report Title	Data Protection and Freedom of Information update

AGENDA STATUS: **PUBLIC**

Audit Committee Meeting Date:	22nd October 2009
Policy Document:	NO
Directorate:	Borough Solicitor
Accountable Cabinet Member:	Cllr Hoare

1. Purpose

1.1 To present our report summarising the progress to date on the outstanding Recommendations of the Internal Audit 2008/9 report Freedom on Information/Data Protection as further detailed in the Follow up Draft Report.

2. Recommendations

2.1 Note the Action Plan attached.

3. Issues and Choices

3.1   Report Background

3.1.1 Due to the high number of outstanding Internal Audit recommendations, the Audit Committee at their meeting on 2nd June 2009 requested that an update on progress be provided at their next meeting.

3.2   Issues

3.2.1   N/A.

3.3 Choices (Options)

3.3.1 The attached action plan has been developed to address the Internal Audit recommendations made.

4. Implications (including financial implications)

4.1 Policy

4.1.1   N/A.

4.2 Resources and Risk

4.2.1   None.

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   Borough Solicitor, Senior Freedom of Information Officer.

4.6 Other Implications

4.6.1   N/A.

5. Background Papers

5.1   N/A

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Report Author: D Marten

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DPA INTERNAL AUDIT REPORT 2008				ACTION PLAN FOR COMPLETION OF RECOMMENDED ACTIONS						
Data Protection Audit Report	Audit Report Recommendation	Actions to be taken	Responsible for action	Assisted by	Current progress	Target date for completion	Date completed	Completion confirmed Date / Name	Closed on Team Central	Status (R/A/G) at 29/7/2009
Now 1 was originally DPAR-3	The Data Protection flowchart should be produced in order to document the process for dealing with Data Protection requests and to ensure that if either the Senior IG Officer or the IG Officer are absent, there is still sufficient procedural documentation to enable another employee to continue their work			Judy Goodman	Following implementation of the CycFreedom system a new flowchart will be developed to relect the new processes	Following CycFreedom implementati on (End Oct 2009)	Installed 7/8 Oct	DM 09/10/09		
					CycFreedom training 15th & 16th Oct 2009					
		ign and publish flowchart in conjunction with po	David Taylo		Produce flow chart					
		Board	David Taylo	Marten	Report made 3rd Sept 09					
Now 2 was originally DPAR-5	Outdated and inaccurate infomation is included within the DP policy. Data Protection policy should be updated to reflect current roles and responsibilities within the authority	Signing of PIP scroll kicks off policy review	David Kennedy	David Taylor / Francis Fernandes	Agreement to sign scroll following aproval of an action plan to show how the Council is to deliver the promises	Revised to 31/12/2009 to allow time to develop action plan				
		on free text (DPAR-9) and safe haven (DPAR-11). Flow chart (DPAR-1) and DP toolkit (DPAR-7) become appendecies of	David Taylo	Nik Jacob	Nikolas Jacobs evaluating DP policy clauses from several other Council's.	drafting policy by 31-10-09				
		Publish / distribute revised policy.	David Taylo	Judy Goodman / Diana	Complete draft by end November. Draft will need full consultation with senior managers and approval at Cabinet.	30/11/09				
Now 3 was originally DPAR-6	The authority should review the induction being provided to Agency workers and ensure that Data Protection and Freedom of Information are included within this. In addition the authority should consider introducing refresher training for Freedom of Information and Data Protection	Review Agency Worker induction arrangements for FOI / DPA content	David Taylo	Geryy Penman - HR	Meeting with Gerry Penman taking place w/c 12th Oct to include staff DP training and induction. Judy Goodman	13/12/09				
		If necessary provide leaflets on FOI and DPA for use in Agency Worker induction	Judy Goodm	David Taylor						
		Devise refresher training on FOI / DPA	David Taylo	County Group	To be developed with the County DP training					
		Ensure delivery of refresher FOI / DPA training	David Taylo	HR – People Developmen						
Now 4 was originally DPAR-7	The Authority should consider reviewing the 'Data Protection toolkit' and updating it and bringing it into use. This could be utilised for existing systems and also during the implementation of new systems and software to ensure that the Data Protection Act is complied with.	Review Data Protection toolkit	David Taylo	Judy Goodman	governance of IT hard and software procurement					
		Amend toolkit if necessary	David Taylo	Judy Goodman	toolkit to be named Privacy Impact Assessment Toolkit' and delivered as part of the DP policy review	30/11/09				
		Adopt revised/reissued toolkit	David Taylo	Judy Goodman						
Now 5 was originally DPAR-8	Incorrect legislation used in Job Descriptions	Email HR to reaffirm request to update templates	David Taylo	Judy Goodman	Judy Goodman done.		29/09/09	D Taylor 08/10/09		
		Review template changes	David Taylo	Judy Goodman	Diana Martin to check implemented 31/10/09.					
		Refer upwards	David Taylo	Goodman	Refer to monitoring offer if not done					
Now 6 was originally DPAR-9	A policy should be developed to ensure that free text on systems is factual, accurate, timely and non-defamatory. This should be communicated to all staff who have access to these areas	Develop 'Free Text' section for inclusion in revision of Data Protection Policy	David Taylor	Diana Marten	To be included in policy review w/c 7th Sept 09	30/11/09				
		Issue free text guidance to all staff	Francis Fernandez	Diana Marten / Francis Fernandes	Diana to arrange with Francis	30/11/09				
Now 7 was originally DPAR-11	The authority should review and if appropriate update the Data Protection security document for approval. This should then be distributed to ensure that there is a consistent and appropriate method of protecting the security of paper documents across the authority	As part of the review of DP policy include a section on 'safe haven' provision.	David Taylor	Diana Marten	Document. A DP security statement supporting principle 7 will be included in the policy review beginning w/c 7th Sept 09	30/11/09				
		On publication of revised DP policy highlight the safe haven provision.	David Taylo	Judy Goodman / Diana						
Now 8 was originally DPAR-12	The authority should consider obtaining approval and rolling out the code of practice to all users.	Approval of IT Code of Practice to be obtained	Pete Bonham	ITGG	Draft document being reviewed by Pete Bonham and will be presented to the	draft sent round by ICT	05/10/09			
		Approved Code to be rolled out to all IT users	Pete Bonham	ICT	Consultation process will need to be followed before approval					
Now 9 was originally DPAR-13	The Information Team should consider performing similar reviews across the Authority to that departments are retaining documents for an adequate period of time. Consideration should also be given to issuing guidance or producing a framework for departments to use until an individual assessment has been performed.	Draft and publish guidance on document retention	David Taylo	Judy Goodman / David Bibey / Francis	Core rention schedule section almost complete. Information audit will fill in service / departmental / divisional documents. Work to begin January					
		Programme document retention assessments for all departments	David Taylo	Judy Goodman	To begin January 2010	31/12/10				
		Carry out document retention assessment for all departments (desktop exercise)	David Taylo	Goodman / Diana Marten/						
		Ensure all identified document types are included in each departments retention	David Taylor							

NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Internal audit progress report

AGENDA STATUS: **PUBLIC**

Audit Committee Meeting Date:	22 October 2009
Policy Document:	NO
Directorate:	Governance and Improvement
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 a third of the agreed plan and have planned in the majority of remaining reviews.

In addition final reports have been issued for all 2008/09 reviews and progress in respect of implementing recommendations is being tracked through TeamCentral, as shown in Appendix 2.

3.1.3   Reporting and activity progress

Final reports

The following 2009/10 reports have been issued in Final since the May 2009 Audit Committee Meeting.

- **09/10 NBC 01 NDR –** A review of the controls in place over identifying and assessing liability, billing, collection and enforcement activities was performed. Overall the review highlighted 10 weaknesses which were all assessed as either medium or low risk and as such a **Moderate** level of assurance was given over the systems and controls in place.

- **09/10 NBC 02 Home Renovation and Disabled Facilities Grants –** The review focused upon the controls in place over the application, approval and allocation of these grants. Due to a period of uncertainty and confusion along with a freeze on grant payments back in 2007 a large backlog of applications arose. This reflected poorly upon the performance of the Council and a new management structure was put in place during October 2008 to tackle this area. Since then considerable progress has been made in dealing with the backlog of applications and work is ongoing to improve the overall control environment. Given the progress being made we were able to give an overall **Moderate** level of assurance and only the following high risk recommendation was raised during the review:

  - ➢ For one of the thirty cases tested we noted that a decent homes grant was awarded despite the fact that the claimant had only lived in their house for a couple of months rather than the three years usually needed to qualify for assistance under this scheme. No rationale had been documented on the file apart from the fact that this had been approved by the Housing Solutions Manager. Given that the grant was also under £5k no charge on the property arose which could then be clawed back if the occupant decided to sell within the next ten years.

- **09/10 NBC 03 Health and Safety** – The review focused on the Health and Safety arrangements in place at the Council for managing and responding to risks. Overall we identified 3 weaknesses in the operation of controls which were assessed as either medium or low risk. As such we have given a **Moderate** level of assurance (with improvement) to recognise the direction of travel and work undertaken at the Council.

In addition we have issued the following outstanding 2008/09 reports as final:

- 08/09 NBC 02 Expenses
- 08/09 NBC 06 Call Out Arrangements

- 08/09 NBC 12 Creditors
- 08/09 NBC 20 Leisure Centres
- 08/09 NBC 22 Concessionary Fares
- 08/09 NBC 23 Housing Benefits
- 08/09 NBC 24 Agresso 5.5 Post Implementation Review
- 08/09 NBC 25 Regeneration and LDS

2009/10 Draft reports:

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

- 09/10 NBC 04 Grounds Maintenance (Interim report)
- 09/10 NBC 05 Freedom of Information and Data Protection (Follow up)
- 09/10 NBC 06 VAT (Follow up)

2009/10 Fieldwork completed

We have completed our fieldwork in the following areas:-

- Legal services
- Risk Management and Business Continuity Arrangements

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
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Appendix One

Planned activity	Planned days	Actual days	Status
1. Core Financial Systems – Fundamental assurance			
▪ General Ledger	8	7	Work in progress
▪ Debtors	8	1	Planned week commencing 2 November
▪ Creditor Payments	10	1	Planned week commencing 9 November
▪ Payroll	10	1	Planned week commencing 23 November
▪ Budgetary Control	8	1	Planned week commencing 30 November
▪ Council Tax	8	1	Planned week commencing 30 November
▪ Non Domestic Rates (NDR)	6	6	Final Report
▪ Bank Reconciliations	10	0	To be confirmed
▪ Cashiers	8	8	Controls work performed
▪ Treasury Management	8	1	Planned week commencing 23 November
▪ Housing Benefits	10	1	Quarter 4
▪ Fixed Assets	6	1	Quarter 4
▪ Housing Rents	8	1	Planned December 2009
▪ Miscellaneous Income	5	2	Controls work performed
▪ IFRS Healthcheck	5	0	Quarter 4
▪ PAYE	10	1	Scope being agreed

Planned activity	Planned days	Actual days	Status
2. Operational system reviews – risk based assurance			
▪ Legal Service	10	9	Fieldwork completed
▪ Human Resources	15	1	Scope being agreed
▪ Grounds Maintenance	10	10	Draft Report
▪ Contract Audit	10	0	Quarter 4
▪ Partnerships	10	1	Scope being agreed
▪ Citizen Engagement (Including Housing Tenants)	8	0	Quarter 4
▪ ICT audit	20	0	Quarter 3/4
▪ 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	13	Fieldwork completed
▪ Governance – management information	10	0	Quarter 3/4
▪ Performance management and improvement delivery	10	0	(work deferred at request of management)
▪ Anti fraud and corruption	15	0	Quarter 3/4

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	8	TeamCentral maintenance and follow up
▪ NFI	12	12	Data matches being investigated
▪ Audit Management	18	10	
Total	**334**	**120**	

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	**1**	N/a	N/a
*09_10 NBC 06 VAT Follow up	0	0	1	0	**0**	N/a	N/a
Total							

(* 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: • 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: • has a low impact on the achievement of the key system, function or process objectives; • has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.
● Low	Control weakness that does not impact upon the achievement of key **system, function or process** objectives; however implementation of the recommendation would improve overall control.

Overall assurance rating:

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

Appendix Three

TEAMCENTRAL

Year	Number of recommendations made	Implemented / Closed	Outstanding
2007/08	186	174	12
2008/09	285	167	118 (19 not yet due)
2009/10	22	11	11 (5 not yet due)

The table below shows the position as at 30 September 2009.

Note:

- **The table below does not show those reviews which no longer have current recommendations outstanding.**
- **Only finalised reports are being tracked through TeamCentral**

Review and number of recommendations still pending as at 30 September 2009	Outstanding & overdue	Not yet due	Imp. Awaiting verification	Closed
Project : 07_08 NBC 17 – Communications. -Citizen Engagement & Partnership Follow up (9)	1	-	1	7
Project : 07_08 NBC 18 - Planning Applications (9)	5	-	4	-
Project : 07_08 NBC 21 - Electrical Services (11)	2	-	1	8
Project : 07_08 NBC 22 - Contract & Legal Services (8)	1	-	5	2
Project : 08_09 NBC 01 - Cashiers (19)	4	-	13	2
Project : 08_09 NBC 02 - Freedom of Information & Data Protection (15)	8	1	6	-
Project : 08_09 NBC 03 – Expenses (11)	2	6	3	-
Project : 08_09 NBC 04 - Environmental Health (6)	1	-	5	-
Project : 08_09 NBC 06 – Call Out Arrangements (10)	2	4	4	-
Project : 08_09 NBC 08 - Housing Rents (14)	9	-	1	4
Project : 08_09 NBC 09 - Car Parking Income (15)	2	2	11	–
Project : 08_09 NBC 10 – Payroll (22)	2	7	13	-
Project : 08_09 NBC 12 - Fixed Assets (12)	3	4	1	4
Project : 08_09 NBC 13 - Creditors (16)	2	7	7	-
Project : 08_09 NBC 14 - Debtors (18)	4	2	11	1
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)	10	1	-	-
Project : 08_09 NBC 18 - Housing Management - Temporary Accommodation (11)	10	-	-	1
Project : 08_09 NBC 19 - Leisure Centre Income (17)	6	-	7	4
Project : 08_09 NBC 20 - Petty Cash (10)	-	9	1	-
Project : 08_09 NBC 21 - Concessionary Fares (6)	1	-	5	-
Project : 08_09 NBC 22 - VFM/Procurement (11)	3	3	5	-
Project : 08_09 NBC 23 - VAT (5)	-	2	3	-
Project : 08_09 NBC 24 – Agresso 5.5 Post Implementation Review (9)	2	2	5	-
Project : 08_09 NBC 25 – Regeneration and LDS (4)	0	-	4	-
Project : 09_10 NBC 01 - NNDR (10)	-	-	9	1
Project : 09_10 NBC 02 - Home Renovations and Disabled Facilities Grants (9)	5	4	-	-
Project : 09_10 NBC 03 - Health and Safety (3)	1	1	-	1

PricewaterhouseCoopers LLP