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Steve Atkinson MA(Oxon) MBA FIoD FRSA
Chief Executive

Date: 16 March 2012



Hinckley & Bosworth
Borough Council

A Borough to be proud of

To: **Members of the Finance, Audit & Performance
Committee**

Mr PAS Hall (Chairman)
Miss DM Taylor (Vice-Chairman)
Mrs R Camamile
Mr DM Gould

Mr MS Hulbert
Mr JS Moore
Mr K Morrell

Copy to all other Members of the Council

(other recipients for information)

Dear Councillor,

There will be a meeting of the **FINANCE, AUDIT & PERFORMANCE COMMITTEE** in the Committee Room 2 on **MONDAY, 26 MARCH 2012 at 7.00 pm** and your attendance is required.

The agenda for the meeting is set out overleaf.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Denise Bonser'.

Denise Bonser
Democratic Services Officer

A G E N D A

1. APOLOGIES AND SUBSTITUTIONS

2. DECLARATIONS OF INTEREST

To receive verbally from members any disclosures which they are required to make in accordance with the Council's code of conduct or in pursuance of Section 106 of the Local Government Finance Act 1992. **This is in addition to the need for such disclosure to be also given when the relevant matter is reached on the Agenda.**

3. MINUTES OF PREVIOUS MEETING (Pages 1 - 2)

To confirm the minutes of the meeting of the Finance Audit & Performance Committee held on 30 January 2012 Copy attached.

4. INTERNAL AUDIT ANNUAL REPORT 2011/12 (Pages 3 - 26)

5. INTERNAL AUDIT PROGRESS REPORT (Pages 27 - 76)

6. PERFORMANCE MANAGEMENT FRAMEWORK (Pages 77 - 94)

Report of Chief Executive attached.

7. COMMERCIAL ESTATES REVIEW UPDATE (Pages 95 - 102)

Report of the Deputy Chief Executive (Corporate Direction) attached.

8. SUNDRY DEBTS POSITION (Pages 103 - 106)

Report of the Deputy Chief Executive (Corporate Direction) attached.

9. OUTTURN THIRD QUARTER 2011/12 (Pages 107 - 140)

Report of the Deputy Chief Executive (Corporate Direction) attached.

10. AUDIT RECOMMENDATION TRACKING (Pages 141 - 146)

Report of the Deputy Chief Executive (Corporate Direction) attached.

11. WORK PROGRAMME 2011/12 (Pages 147 - 150)

Agenda Item 3

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

FINANCE, AUDIT & PERFORMANCE COMMITTEE

30 JANUARY 2012 AT 6.00 PM

PRESENT: Mr PAS Hall - Chairman
Miss DM Taylor – Vice-Chairman

Mrs R Camamile, Mr DM Gould, Mr MS Hulbert, Mr JS Moore and Mr K Morrell

Also in attendance: Mark Jones (Price Waterhouse Coopers LLP)

Officers in attendance: Sanjiv Kohli

356 DECLARATIONS OF INTEREST

No interests were declared at this stage.

357 MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 12 December 2011 be agreed and signed by the Chairman.

358 MATTERS ARISING FROM MINUTES

Minute No. 281

The procedure undertaken to determine write-offs will be brought to the next meeting in March.

Minute No. 283

The breakdown of refurbishment works on the Leisure Centre to be re-circulated to Members.

359 EXTERNAL AUDIT PLAN 2011/12

Members gave consideration to the draft audit plan presented by the Council's external auditors, Price Waterhouse Coopers. The MIRA development was reported as a potential risk that was not raised as a specific risk. A watching brief will be kept on this project. Mark Jones explained that all risk in the audit plan would go through the reporting process and presented to Council.

It was agreed that a follow-up on MIRA would be presented to Finance, Audit and Performance or Scrutiny in the next one to two months.

Mr Jones asked the Committee if they still wished to be informed of any errors detected over a threshold of £10,000. It was agreed that this be raised to £50,000. Mr Jones confirmed that any significant items would be brought to the attention of the Committee as a matter of course.

(The Meeting closed at 6.40 pm)

CHAIRMAN

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

Internal Audit Annual Report 2011/2012

March 2012

Presented at the Finance and Audit Select Committee meeting of: 26th March 2012

Approved by: Chris Williams, as Head of Internal Audit

DRAFT

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This report is prepared solely for the use of the Members and senior management of Hinckley and Bosworth Borough Council. Details may be made available to specified external agencies, including external auditors, but otherwise the report should not be quoted or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended for any other purpose.

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1 INTRODUCTION

1.1 The Role of Internal Audit

The role of internal audit is to provide management with an objective assessment of the adequacy and effectiveness of internal control, risk management and governance arrangements. Internal audit is therefore a key part of Hinckley and Bosworth Borough Council's assurance cycle and if used properly can help to inform and update the organisation's risk profile. Internal Audit is just one of the sources of assurance available to the Council and Finance & Audit Select Committee.

The definition of internal audit, as described in CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom, is set out below:

- Internal Audit is an assurance function that primarily provides an independent and objective opinion to the organisation on the control environment comprising risk management, control and governance by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- Whilst Internal Audit "primarily" provides an independent and objective opinion to the organisation on the control environment, it may also undertake other, non-assurance work at the request of the organisation subject to the availability of skills and resources. This can include consultancy work; indeed, Internal Audit intrinsically delivers consultancy services when making recommendations for improvement arising from assurance work, and fraud-related work.

1.2 Annual Governance Statement

The preparation and publication of an annual governance statement in accordance with the CIPFA / SOLACE Good Governance Framework is necessary to meet the statutory requirement set out in the Accounts and Audit Regulations, which set out a statutory requirement for authorities to prepare a statement of internal control in accordance with "proper practices".

As your internal audit provider, the assignment opinions that RSM Tenon provides the organisation during the year are part of the framework or assurances that assist the Council prepare an informed governance statement.

2 INTERNAL AUDIT ASSURANCE FOR 2011/2012

2.1 Context

As the provider of the internal audit service to Hinckley and Bosworth Borough Council, we provide the Council through the Finance & Audit Select Committee with an opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. In giving our opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the Council is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes.

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. This report is prepared solely for the use of Council and senior management of Hinckley and Bosworth Borough Council. Details may be made available to specified external agencies, including external auditors, but otherwise the report should not be quoted or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended for any other purpose.

2.2 Internal Audit Assurance Statement

This annual Head of Internal Audit opinion is provided to Hinckley and Bosworth Borough Council by RSM Tenon Limited.

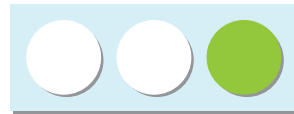
We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion on the adequacy and effectiveness of Hinckley and Bosworth Borough Council's arrangements.

For the 12 months ended 31 March 2012, based on the work we have undertaken, our opinion regarding the adequacy and effectiveness of Hinckley and Bosworth Borough Council's arrangements for governance, risk management and control is as follows:

Red Amber Green

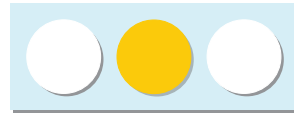
Governance

Adequate and Effective.



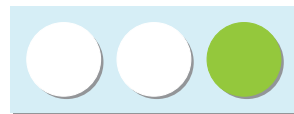
Risk Management

Risk Management arrangements require further development. We are pleased to report that good progress is being made in implementing the recommendations contained in our report issued in July 2011.



Control

Adequate and Effective.



2.3 Scope of the Internal Audit opinion

In arriving at our opinion, we have taken into account:

- The results of all internal audits undertaken during the year ended 31 March 2012 (see Appendix A for a risk map of our internal audit assurances and Appendix B for a summary of audits);
- The results of follow-up action taken in respect of audits from previous years;
- Whether fundamental or significant recommendations have been accepted by management and, if not, the consequent risks;
- The effects of any material changes in the organisation's objectives or activities;
- Matters arising from previous reports or other assurance providers to the Finance & Audit select Committee and/or Council;
- Whether or not any limitations have been placed on the scope of internal audit;
- Whether there have been any resource constraints imposed upon us which may have impinged on our ability to meet the full internal audit needs of the organisation;
- What proportion of the organisation's internal audit needs have been covered to date; and

2.4 The Basis of the Opinion

Governance

The induction process for new Members was reviewed prior to the last elections. This ensured that appropriate training was provided to new and current members, preparing them for their responsibilities as a Councillor and enabling them to make effective contributions to meetings. The Council has implemented the "modern.gov" system, which is intended to automate processes, reduce risk and ensure openness and transparency.

Risk Management

The Council's Risk Management framework and reporting arrangements, as at July 2011 correspond to a "Risk Aware" level of risk maturity, across each of the six component areas. The current lack of formal arrangements prevented a higher opinion being issued. There was insufficient evidence available to demonstrate that the "Risk Management approach meets basic expectations of stakeholders" which prevents reaching the "Risk Defined" level.

Due to the seriousness of the findings from the original Risk Management audit, a follow up was carried out to confirm action taken to implement the recommendations made. We found that eight recommendations had been implemented in full and three were in process of implementation. We raised one new recommendation requiring risks to be considered during the annual business planning process.

Control

By the 31st March 2012 we will have undertaken a total of 38 Internal Audit reviews. Overall, this resulted in 31 positive assurance opinions being given; of which, 22 were 'Green' assurance opinions and 9 were 'Green / Amber' assurance opinions over the control environment. Three reviews were given Red / Amber assurance opinions. These related to the Leicestershire Partnership Housing Benefits and NNDR audits, and to (Planning) Enforcement. Two reviews were Advisory, relating to Risk Management (as above) and to Housing Repairs, and do not result in an Assurance opinion. Also as above, the Follow-up to the Risk Management review noted 'Adequate' progress with regard to the implementation of recommendations.

There is one report out in draft format awaiting management responses, relating to the Follow-up of previous recommendations. However, based on the findings reported we are confident that this report will not impact on the overall opinion given in this report.

Based on these results we feel that a positive opinion is warranted, but there is still an opportunity to improve the Internal Control environment to mitigate risk further.

Acceptance of Recommendations

All of the 144 recommendations made during the year were accepted by management, apart from one, relating to re-grading of cases noted during the audit of (Planning) Enforcement.

2.5 The Annual Governance Statement

The overall opinion may be used by the Council in the preparation of the annual governance statement.

2.6 Conflicts of Interest

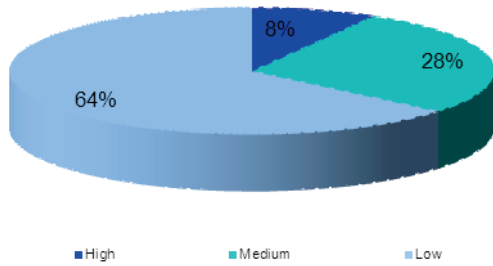
We have not undertaken any work or activity during 2011/12 that would lead us to declare any conflict of interests.

2.7 Benchmarking Data

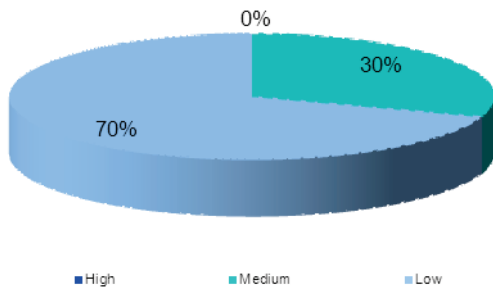
The tables below show the split of internal audit recommendations and opinions for Hinckley and Bosworth Borough Council in 2011/12 and those made in 2010/11.

Comparison of the Number of Recommendations Made

Recommendations 2011/12

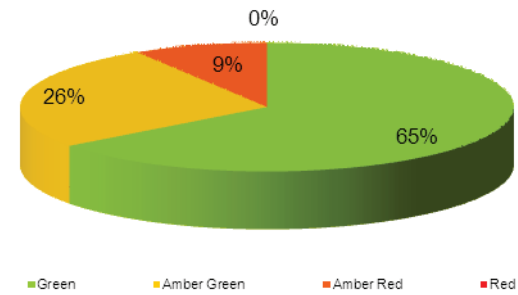


Recommendations 2010/11

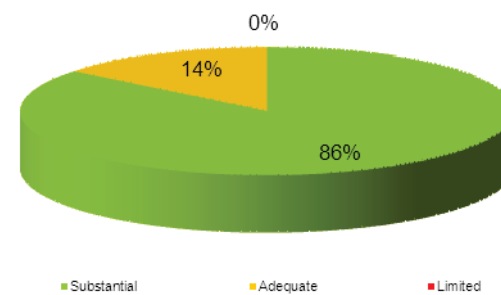


Comparison of Assurance Opinions Given

Assurance Levels 2011/12

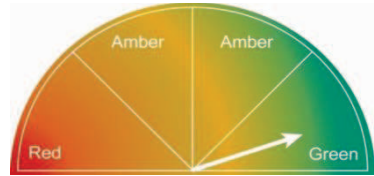
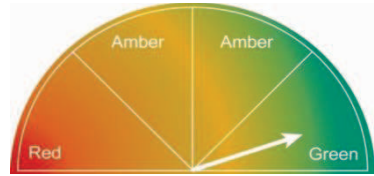
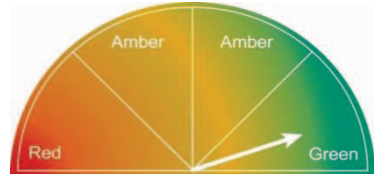
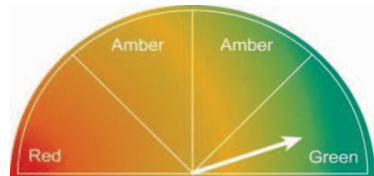


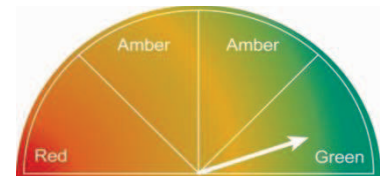
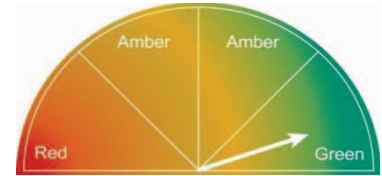
Assurance Levels 2010/11

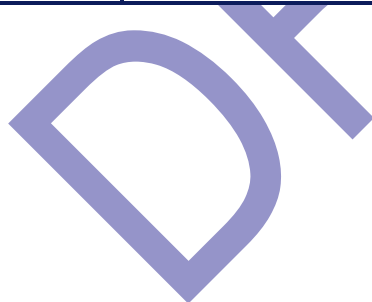


APPENDIX A: INTERNAL AUDIT ASSURANCE MAP 2011/2012

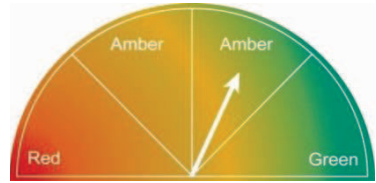
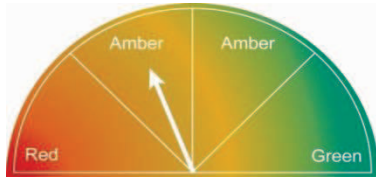
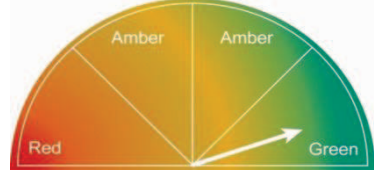
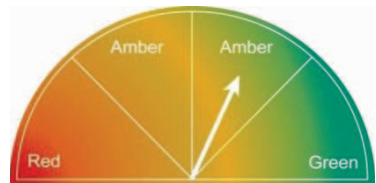
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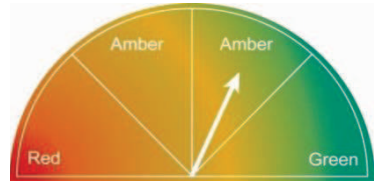
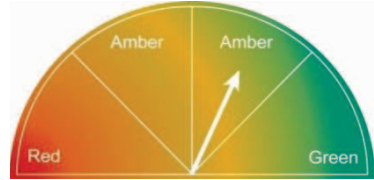
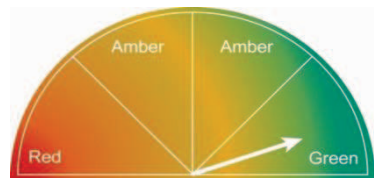
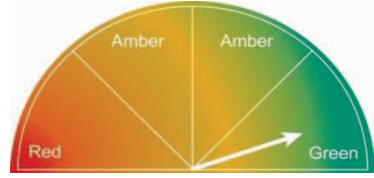
Risk Based Coverage			
Risk(s)	Source	Headline Findings	Assurance
Car parks	Service Risks / Council and Management Assurance	The Council's Business, Contract and Street Scene Services manage a total of 28 car parks throughout the Borough. Annual income from all car parks is approximately £500,000 per annum. There is a contract in place with Kings Security for the emptying of all cash from ticket machines and ensuring its timely banking. However, on one occasion, Kings staff left a cash box full of cash, in a car park. This was found and handed in by a member of the public.	
Trade Waste (new VAT allowances)	Service Risks / Council and Management Assurance	The Council is seeking to expand Waste and Recycling Collection services to commercial businesses across the wider Borough. Publicity promoting the Trade Waste service could be improved. The Service Improvement Plan should be updated and include details of relevant fees and charges.	
Performance Management	Service Risks / Council and Management Assurance	The Council uses the 'TEN' performance management system to monitor and analyse performance at service area manager level. A total of 73 performance indicators are currently monitored and are reviewed and updated on a monthly basis. The TEN system is also used to monitor Departmental Service Plans for each of the eleven Key Service Areas of the Council, these dovetail with the five strategic aims, enabling overall performance to be reported via the 'dashboard'.	
Local Development Framework	Service Risks / Council and Management Assurance	The Local Development Framework sets out how the regeneration of Hinckley town centre is to be achieved in a structured, economic and effective manner. Three documents within the Local Development Framework have been adopted by the Council; Statement of Community Involvement; Core Strategy and the Local Development Scheme. Additionally, the Hinckley Town Centre Area Action Plan was approved and adopted in September 2010. This details the planning policy and key developments planned between now and 2026.	

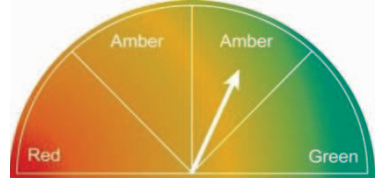
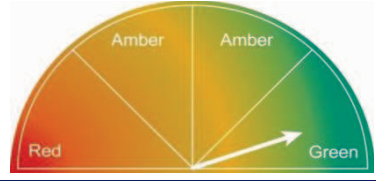
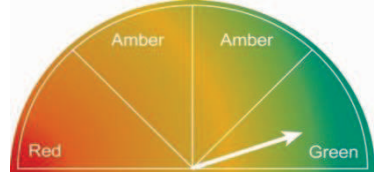
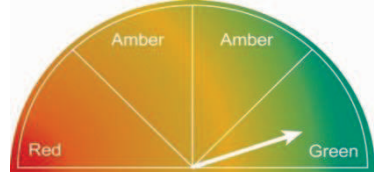
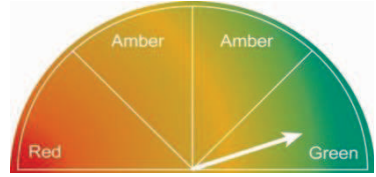
Risk Based Coverage			
Risk(s)	Source	Headline Findings	Assurance
Financial Regulations	Service Risks / Council and Management Assurance	This audit reviews a different element of the Council's Financial Procedure Rules every year. The elements rotate over a period of time, to confirm that staff throughout the Council, fully understand and adhere to the Council's rules. This year we focussed attention on waivers and the procurement process. We found that waivers are not formally logged into a register, which would provide an audit trail and also that waivers are not consistently approved in accordance with the procedure set out in Financial Procedure Rules. We also identified instances where the ordering process was not carried out in accordance with the Council's rules.	
Master Plan	Corporate Risk Register	The 'Masterplan' was the name by which the key elements of the Council's on-going re-development process were known up until December 2010. The developments are now known separately as the Hinckley Town Centre Area Action Plan (HTCAAP), and the Barwell and the Earl Shilton Area Action Plans. The HTCAP was formally adopted by Council on March 21st 2011. The initial consultation process for the Barwell and Earl Shilton AAPs was completed in February 2011, and currently the formal AAPs are being prepared before further consultation in autumn 2011.	

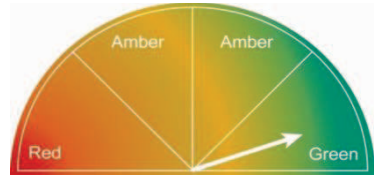
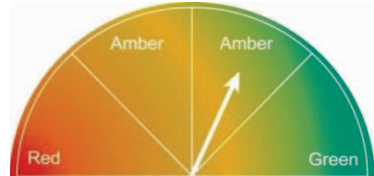
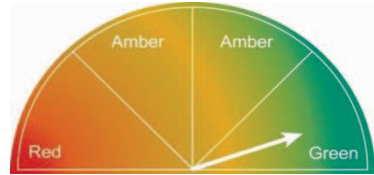


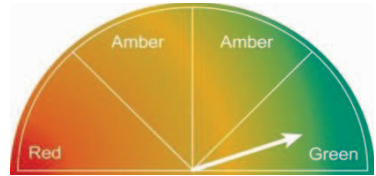
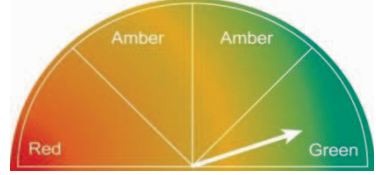
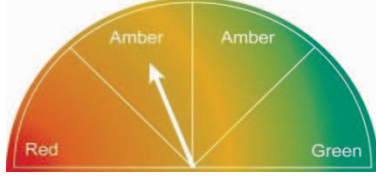
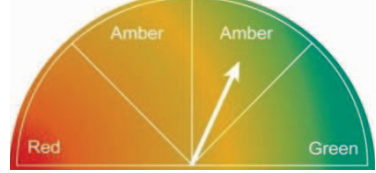
Risk Based Coverage			
Risk(s)	Source	Headline Findings	Assurance
Supporting people / Wardens	Service Risks / Council and Management Assurance	<p>Supporting People is undertaken in conjunction with Leicestershire County Council's (LCC) 'Vulnerable People's' work and is now known as 'Housing Related Support. A contract is in place for the 11 sheltered schemes across the Borough. The current contract was due to end in December 2011, but LCC has recently extended this for a further twelve months. A five year strategy (2010-15) has been documented which defines the aims and objectives of delivering Housing Related Support. Services are provided by HBBC, although the prices charged to users of the service are controlled by LCC.</p> <p>An annual contract review, known as the 'Quality Assessment Framework' (QAF), is undertaken by the Contract Officer in order to provide recommendations and an overall score based on criteria defined by LCC. The last QAF was completed in May 2011; as a result of this assessment HBBC were required to prepare an action plan providing details of planned improvements to its housing related support services for presentation to the County Council in June 2011.</p>	
Budgetary Control and Budget Setting	Service Risks / Council and Management Assurance	<p>The budget for 2011-12 was set at £9.677m, which when compared with the outturn for 2010-11, of £10,634m, demonstrates the extent of the financial cuts forced on the Council by the Comprehensive Spending Review. The Council closely monitors its financial performance to ensure that it remains within budget.</p>	
Rent Collection and Arrears	Service Risks / Council and Management Assurance	<p>The total rent due to the Council from its council housing tenants during 2011-12 is approximately £10.4 million. The Council consistently collects over 98.5% of the rent due. The annual rent increase applied for 2011-12 was an average of 3.9%. Following closure of the Cashiers Office at Argents Mead, a range of alternative payment methods have been established and communicated to tenants.</p>	

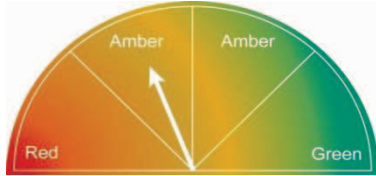
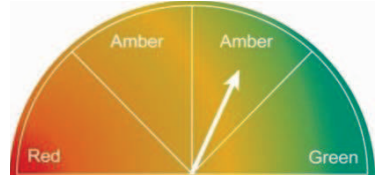
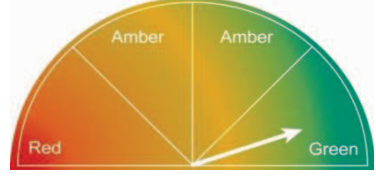
Risk Based Coverage			
Risk(s)	Source	Headline Findings	Assurance
Community Safety	Service Risks / Council and Management Assurance	The Council has a Community Safety Team that is committed to reducing crime and the fear of crime within the Borough. Community Safety issues, particularly those involving allegations of Anti-Social Behaviour have increased following the Pilkington case. We found that a formal completion and closure report is not always completed and independently reviewed.	
Enforcement	Service Risks / Council and Management Assurance	The Planning Enforcement Team investigates alleged breaches of planning consents. Where breaches are confirmed, Enforcement have the power to issue Enforcement Notices, which must be adhered to, by law. There are currently 197 open enforcement cases, of which 89 date from prior to April 2011. A new Planning Enforcement Protocol has recently been approved and implemented. While 100% of enforcement complaints are acknowledged with three working days, only 84% are responded to within 15 working days.	
IT Strategy Review	Service Risks / Council and Management Assurance	The IT Strategy has been developed in line with the Council's Corporate Plan 2010 - 2015, and reflects the on-going requirements of individual service areas across the Council. The IT Strategy is structured in a way that it defines within a formal roadmap, the agreed actions to be completed with the lead contact and completion dates next to each activity. An agile and flexible approach has been adopted as part of the IT Strategy, in order to allow for the IT department to respond to the on-going needs of individual departments. Progress against implementation of the IT Strategy roadmap is reported back into the Corporate Direction Management Team on a monthly basis.	
Health and Safety	Corporate Risk Register	Our review identified a range of relatively minor procedural issues. In particular, the Health, Safety and Welfare Policy and Lone Working Policy were both in need of review and updating. Lists of Fire Marshalls and First Aiders available on the intranet were not up to date. DSE (Display Screen Equipment) checklists are completed regularly at every location.	

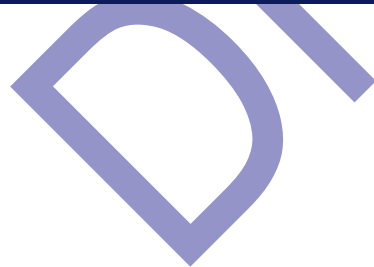
Risk Based Coverage			
Risk(s)	Source	Headline Findings	Assurance
Project Management	Corporate Risk Register	Our review focussed on a sample of four significant projects: the Hinckley Hub; Burbage Common improvements; Richmond Park Play area and the provision of recycling containers. We found that project management arrangements are generally adequate although there was some confusion as to which set of project management parameters, the Council was operating under. We also noted that the new project management guidelines, issued by the Council's Capital Forum, had not been formally approved by the Senior Leadership Board or by Executive Board.	
Key Performance Indicators	Service Risks / Council and Management Assurance	This audit was focussed on six Key Performance Indicators, selected in agreement with management and sought to ensure that these were being calculated correctly and reported in accordance with performance management system requirements. We found that for one indicator (NI 158), the documents supporting the date input into the 'TEN' system, had not been retained and that there was no procedural documentation available detailing how the KPI is collated and calculated. The Data Quality Policy is also in need of review and updating.	
Planning	Service Risks / Council and Management Assurance	The Council uses the Uniform system to maintain case files and to record all information following receipt of a planning application. All documents relating to each planning application are also scanned into the Anite document imaging system, making them available for public scrutiny. We found that the assigned responsibility for signing off planning applications, which has been delegated to key staff, is not documented within the Council's Scheme of Delegation.	
Housing Allocations & Voids	Service Risks / Council and Management Assurance	The Council manages approximately 3425 homes and at the time of audit, 92 were void (2.7%). The arrangement in place for letting homes has recently changed from the traditional allocation system to the Choice Based Letting process. Properties available for letting are advertised weekly, enabling prospective tenants to bid for their choice.	

Risk Based Coverage			
Risk(s)	Source	Headline Findings	Assurance
Homelessness	Service Risks / Council and Management Assurance	The Council has a responsibility to prevent homelessness within the Borough and also to act promptly when residents actually become homeless. The Housing Options Team provides advice and assistance to approximately 25 new cases every week, in addition to managing the current caseload. The current economic environment has resulted in an increase in the number of people who are potentially homeless.	
Treasury Management	Service Risks / Council and Management Assurance	The total value of investments as at 31 August 2011 was £6,670,000 and the total borrowings for the same date was £4,300,000. The Council has adopted a risk adverse strategy and have resorted to investing with safer investment houses such as Building Societies. However, these lower risk investments have achieved lower returns.	
Income and Debtors	External Audit Reliance	At the time of the audit, a total of £1,869,000 was owed to the Council by over 4,000 separate current and past debtors. We found that the Corporate Debt Recovery Strategy has not been updated since 2007 and that there is scope for additional data analysis to identify trends and to monitor overall recovery performance.	
Creditors	External Audit Reliance	We tested a sample of payments made to creditors to confirm that staff processing creditor payments are fully complying with the procedures set out in the Council's Financial Procedure Rules. We found no areas of concern. The Council is paying 99.2% of creditors within 30 days and is compliant with the Public Sector Payment Policy.	
Payroll	External Audit Reliance	The Council maintains an in-house payroll processing service, the annual budget for this service is £300,000. We found that access rights for HR Advisors required clarification and that time sheets and expense claims were not always authorised timely.	

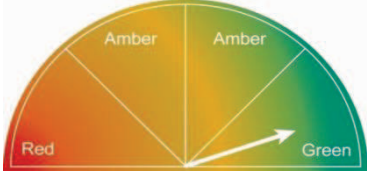
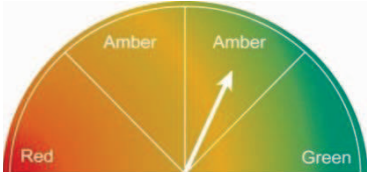
Risk Based Coverage			
Risk(s)	Source	Headline Findings	Assurance
General Ledger	External Audit Reliance	The Council's General Ledger is operated using the Civica Financial system. An Integrated Interface Module is automatically run every 20 minutes, which allows for all transactions to be fed from the feeder systems to the General Ledger. Daily transactions are backed-up daily while the whole GL is backed-up weekly. Currently, a typical month of operation includes approximately 9,000 transactions posted through the General Ledger.	
Asset Register	Service Risks / Council and Management Assurance	The Council has invested in a new system for recording and reporting its Fixed Asset Register, however this is not effectively utilised as the database has not been fully populated. The system is up to 31 st March 2010 but all more recent transactions still require inputting. The Council's policies surrounding asset management, including the Financial Procedures Rules, the Land and Property Acquisition Policy and the Land and Property Disposals Policy, are all out of date.	
IT Contract	Service Risks / Council and Management Assurance	The Council has a fully outsourced ICT Services contract through Steria; support services provided include hardware and software, business applications and server management and support. The IT Managed Services contract was awarded to Steria in 2006. The contractual terms have been renegotiated on two occasions in 2008 and 2011; the contract is due to expire in 2016. There is a Service Level Agreement in place which forms the basis of the contract with Steria and sets out how they are to provide on-going support for a range of IT services within the Council and the required quality of the service, particularly in terms of response and resolution times. A Service Level Agreement ensures that the performance of the contract can be assessed objectively, against the key performance indicators included in the agreement.	

Risk Based Coverage			
Risk(s)	Source	Headline Findings	Assurance
Corporate Governance	Corporate Risk Register	The induction process for new members was reviewed prior to the last elections. This ensured that appropriate training was provided to new and current members, preparing them for their responsibilities as a Councillor and enabling them to make effective contributions to meetings. The Council has implemented the "modern.gov" system, which is intended to automate processes, reduce risk and ensure openness and transparency.	
Atkins Building – Commercial Income	Service Risks / Council and Management Assurance	The Atkins Building currently houses 18 business tenants in its three floors of refurbished office space and meeting rooms. There is currently a 76% occupancy rate and at present, is generating £141,000 in rental income. Our audit identified that tenants are not always provided with details of the fire and other risk assessments applicable to their area of the building.	
Housing Benefit (shared service)	External Audit Reliance	The Leicestershire Partnership (Revenues and Benefits) was formed in 2011 to provide a shared service for processing all aspects Housing Benefit, Council Tax and NNDR for HBBC, HDC and NWLDC. This is the first time the shared service has been audited. Housing Benefit processing performance levels across the Partnership are currently failing to reach the target set. We also recommended that staff should complete Declarations of Interest, that system parameters should be independently checked and that standardised procedures notes should be produced.	
Council Tax (shared service)	External Audit Reliance	A number of relatively minor control issues were identified. These mostly arise from the lack of standardised procedures. This is being rectified. We also found that supporting documentation is not always obtained and retained in order to evidence the grounds for making a decision.	

Risk Based Coverage			
Risk(s)	Source	Headline Findings	Assurance
NNDR (shared service)	External Audit Reliance	Our audit identified a range of control issues that had been inadequately prioritised by the shared service providers. We note that the standardisation of procedures will be included in the 2012-13 service plans. Debt recovery was still progressing using the recovery timetables inherited from the partners. This was hindering recovery action but a standard procedure is now in place.	
Data Protection Compliance	Service Risks / Council and Management Assurance	Our main concern is with the potential access to personal information within the confidential waste arrangements. Management are reviewing these arrangements, although the system may not be fully replaced until the Council re-locates to the Hinckley Hub, in late 2012.	
Public Consultations / Citizens Panel	Service Risks / Council and Management Assurance	The Council has in place a 'Communication and Engagement Strategy'. It operates in conjunction with a set of published 'Consultation Standards'. The objective is to use appropriate methods of consultation and engagement to reach all areas of the community and to use the information gained to inform the Council's priority actions and to improve service delivery. We found that it was difficult to evidence the impact of the consultation process on actual Council policies and decisions.	



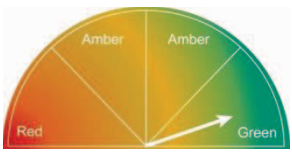
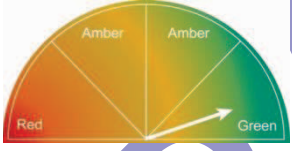
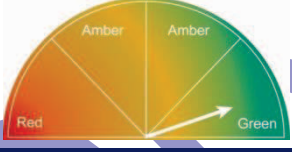
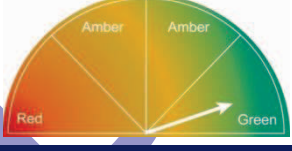
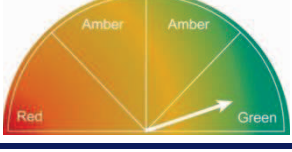
Risk Based Coverage			
Risk(s)	Source	Headline Findings	Assurance
Housing Repairs	Service Risks / Council and Management Assurance	<p>The Council's housing repairs service was undertaken by the external contractor, Willmott Dixon from 2007/08 under an open-book agreement, up until 29th September 2011. There have been a number of disputes and disagreements with Willmott Dixon over the years regarding the cost of the service. At the request of senior management, this audit focussed on selected costs included in three Willmott Dixon invoices against which the Council had raised significant objections.</p> <p>The review was inconclusive with regards to evidence of intentional inaccurate mis-charging of costs by Willmott Dixon, although some minor instances were noted where it appeared that Willmott Dixon were failing to ensure that the repairs service was being provided in the most economic fashion (as expected by the Council under the open-book agreement).</p> <p>Throughout the review areas of fundamental disagreement between the Council and Willmott Dixon were noted. Many of these relate to differing interpretations of contractual terms, dating back to 2007 but including many issues arising since that time. Such issues include the achievement of best value, what the 'Period 13' payment made at the end of 2010/11 by the Council actually covered, and responsibilities for data transfer between the company's Vixen and the Council's Orchard operating systems.</p>	Advisory work, therefore no opinion given.

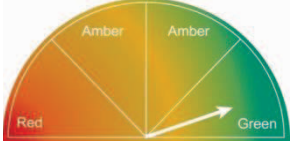
Risk Based Coverage			
Risk(s)	Source	Headline Findings	Assurance
VAT	Service Risks / Council and Management Assurance	Roles and responsibilities in relation to VAT have been defined and training has been provided to relevant members of staff. VAT codes have been pre-set into the Civica Financial Management System. Control account reconciliations are produced and reviewed in a timely manner at the end of the month prior to preparation and submission of the VAT returns. The VAT return is produced and reconciled back to the Financial Management System, the return is then reviewed by a senior member of staff. The cashflow and bank statements are reviewed to confirm that the correct amount of reclaimed VAT has been received by the Council. From a review of the reports produced detailing all transactions included on the VAT return we confirmed that relevant VAT rates had been applied. Relevant and supporting information is retained to support transactions and returns made.	
Spot Checks (Bank Accounts at Sheltered Housing Schemes)	On-going assurance over compliance with procedures.	<p>Each sheltered accommodation scheme operates under its own rules and is outside the full control of the Council. This means that there is no unified or centrally approved method for managing Tenants' funds which has led to a diversity of approaches in this area.</p> <p>We have made a small number of recommendations for improvements which should be communicated to all schemes within Borough for implementation as appropriate to each individual set of circumstances.</p> <p>It should be clearly noted that there is no evidence or suggestion of any wrong-doing or mis-management of funds by the Wardens at the schemes visited.</p>	

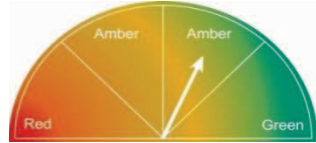
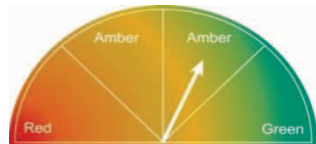
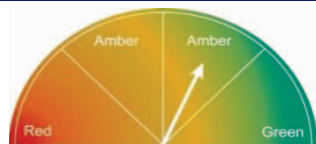
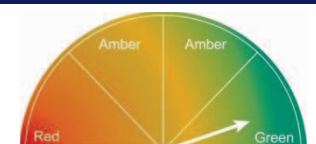

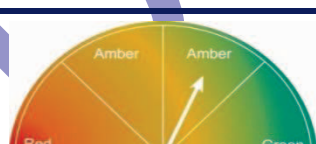
Other Coverage			
Area	Rationale for coverage	Headline Findings	Assurance
Follow Up	On-going assurance over the implementation of internal audit recommendations.	Final version of report not yet issued.	-
Risk Management	Compliance with Statutory requirements	The Council's risk management framework and reporting arrangements, as at July 2011 correspond to a "Risk Aware" level of risk maturity, across each of the six component areas. The current lack of formal arrangements prevented a higher opinion being issued. There was insufficient evidence available to demonstrate that the "Risk management approach meets basic expectations of stakeholders" which prevents reaching the "Risk Defined" level.	Advisory work, therefore no opinion given.
Risk Management Follow-up	On-going assurance over the implementation of internal audit recommendations.	Due to the seriousness of the findings from the original Risk Management audit, a follow up was carried out to confirm action taken to implement the recommendations made. We found that eight recommendations had been implemented in full and three are in process of implementation. We raised one new recommendation requiring risks to be considered during the annual business planning process.	Adequate progress has been made.

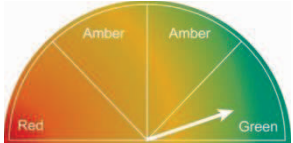
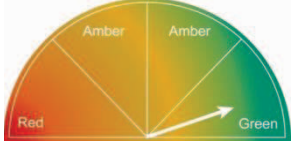
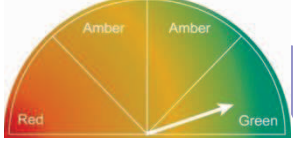
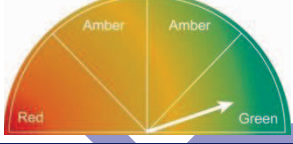

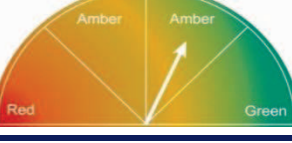
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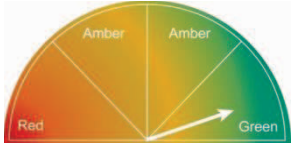
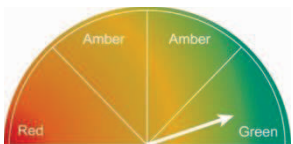

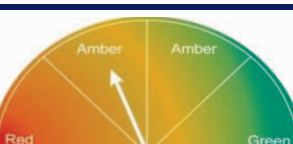
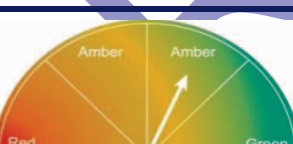
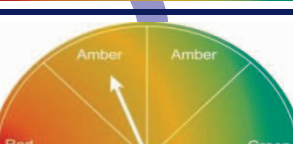
APPENDIX B: INTERNAL AUDIT OPINIONS AND RECOMMENDATIONS 2011/2012

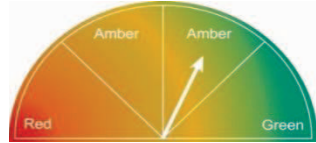
Auditable Area	Assurance Level Given	Number of Recommendations made				
		High	Medium	Low	In Total	Agreed
Car Parks		0	3	0	3	3
Trade Waste (new VAT allowances)		0	0	2	2	2
Performance Management		0	0	3	3	3
Local Development Framework		0	0	0	0	0
Financial Regulations		0	3	1	4	4
Master Plan		0	0	1	1	1

Auditable Area	Assurance Level Given	Number of Recommendations made				
		High	Medium	Low	In Total	Agreed
Supporting people / Wardens		0	2	0	2	2
Budgetary Control and Budget Setting		0	0	1	1	1
Rent Collection and Arrears		0	0	0	0	0
Community Safety		0	2	2	4	4
Enforcement		1	2	3	6	5
IT Strategy Review		0	0	2	2	2

Auditable Area	Assurance Level Given	Number of Recommendations made				
		High	Medium	Low	In Total	Agreed
Health and Safety		0	0	7	7	7
Project Management		0	2	4	6	6
Key Performance Indicators		0	2	4	6	6
Planning		0	1	1	2	2
Housing Allocations & Voids		0	0	2	2	2
Homelessness		0	3	4	7	7

Auditable Area	Assurance Level Given	Number of Recommendations made				
		High	Medium	Low	In Total	Agreed
Treasury Management		0	0	5	5	5
Income and Debtors		0	0	2	2	2
Creditors		0	1	2	3	3
Payroll		0	0	2	2	2
General Ledger		0	0	2	2	2
Asset Register		0	1	5	6	6

Auditable Area	Assurance Level Given	Number of Recommendations made				
		High	Medium	Low	In Total	Agreed
IT Contract		0	0	0	0	0
Corporate Governance		0	0	4	4	4
Atkins Building – Commercial Income		0	1	1	2	2
Housing Benefit (shared service)		0	5	6	11	11
Council Tax (shared service)		0	3	4	7	7
NNDR (shared service)		0	2	13	15	15

Auditable Area	Assurance Level Given	Number of Recommendations made				
		High	Medium	Low	In Total	Agreed
Data Protection Compliance		1	1	1	3	3
Public Consultations / Citizens Panel		0	0	2	2	2
Housing Repairs	Advisory work, therefore no opinion given.	0	0	0	0	0
VAT		0	0	1	1	1
Risk Management	Advisory work, therefore no opinion given.	8	2	1	11	11
Risk Management Follow-up	Adequate progress has been made.	2	2	0	4	4
Spot Checks (Bank Accounts at Sheltered Housing Schemes)		0	2	4	6	6
Follow Up	Report issued in draft.					

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HINCKLEY AND BOSWORTH BOROUGH COUNCIL

Internal Audit Progress Report

Finance and Audit Select Committee Meeting – 26th March 2012

Agenda Item 5

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Appendix A	Hinckley and Bosworth Borough Council – Operational Plan Performance 2011/12	5
Appendix B	Hinckley and Bosworth Borough Council – Executive Summaries and Action Plans:	9
	<ul style="list-style-type: none"> ▪ Leicestershire Partnership (LP) (Revenues and Benefits) – Housing Benefits ▪ LP (Revs & Bens) – Council Tax ▪ LP (Revs & Bens) – NNDR ▪ Data protection 1998 Compliance 	<ul style="list-style-type: none"> ▪ Public Consultations ▪ Housing Repairs ▪ VAT ▪ Sheltered Accommodation (Tenants' Funds)

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

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1. INTRODUCTION

- 1.1 The periodic internal audit plan for 2011/12 was approved by the Finance and Audit Select Committee on 14th February 2011. This report summarises the outcome of work completed to date against that plan, and Appendix A provides cumulative data in support of internal audit performance.

2. FINAL REPORTS ISSUED

- 2.1 We have finalised 8 reports since the last Committee meeting; these are in the areas of:

- Leicestershire Partnership (Revenues and Benefits) – Housing Benefits;
- Leicestershire Partnership (Revenues and Benefits) – Council Tax;
- Leicestershire Partnership (Revenues and Benefits) – NNDR;
- Data Protection Compliance 1998;
- Public Consultations;
- Housing Repairs;
- VAT; and
- Sheltered Accommodation – Tenants' Funds.

- 2.2 The executive summaries and agreed action plans for recommendations classified as 'High' and 'Medium' risk are included at Appendix B. Full reports of all recommendations including 'Low' risk can be provided upon request. The 'Low' risk recommendations are not included in this report, as it is felt that time and attention should be focused on the more significant risks facing the Authority (i.e. 'High' and 'Medium' recommendations).

3. KEY FINDINGS FROM INTERNAL AUDIT WORK

- 3.1 We have raised 45 recommendations across the 8 reviews that are being presented to this Committee; one recommendation has been classified as 'High' Risk, 13 recommendations have been classified as 'Medium' Risk and the remaining 31 recommendations have been classified as 'Low' Risk.
- 3.2 The High and Medium Risk recommendations raised as part of the reviews relate to:
- **Leicestershire Partnership – Housing Benefits** (Pages 13 - 15)
 - Whilst a number of policies and procedures were provided to the auditors by the management of the Partnership, these are not comprehensive, and do not, in the main, incorporate procedures brought forward from the individual Councils into a single, unified Partnership document. *(Medium Risk) (Recommendation No.1)*
 - It was confirmed through discussion that if a Partnership staff member needs to be added or removed from the Academy system, the system administrators would be notified by Team Leaders and Human Resources from each of the Councils. At HBBC it was confirmed through discussion and through testing that one employee had left the Council, but still remained 'active' on the system. There was lack of evidence that the detailed review of controls to mitigate identified risks had been undertaken in all cases. There is a risk that staff may still have access to aspects of the system they should not have and as a consequence complete transactions which may not be identified immediately. *(Medium Risk) (Recommendation No.2)*
 - It was confirmed through discussion with the Partnership Manager that a declaration of interests has not been completed for all staff including those from HBBC. *(Medium Risk) (Recommendation No.3)*
 - It was confirmed through discussion and testing of a sample of 10 system parameters that the correct DWP uprating information was input into the Academy system. There was a lack of evidence of check of DWP parameters input to the system, but this did not apply to HBBC. *(Medium Risk) (Recommendation No.4)*
 - A claimant must complete a new claims form and also provide appropriate types of identification and information in order to be assessed. These include proof of residency, national insurance, evidence of any savings or capital, receipt of any other benefits and evidence of their current rent amount. A sample of 25 new claims for each Council was tested to ensure that in all cases a new claims application form was completed and signed and that all appropriate forms of proof was retained by the Partnership. Although discrepancies were found, these did not relate to HBBC cases. *(Medium Risk) (Recommendation No.5)*
 - **Leicestershire Partnership – Council Tax** (Page 21)
 - It was confirmed that procedure notes regarding Council Tax duties have been developed and are stored within the Council Tax department. The procedures are maintained by the Revenues Technical and Training Officer and were last updated by HBBC staff in February 2010. A lack of familiarity with and use of procedural documentation was noted, but this did not apply to HBBC staff. *(Medium Risk) (Recommendation No.1)*
 - For a discount to be applied on a case, the claimant must provide the Council with appropriate information and supporting documentation. If the discount has been granted, an amended bill is provided to the claimant detailing the discount they have been granted and their revised total. Through testing, a small number of discrepancies were detected, but these did not apply to HBBC cases. *(Medium Risk) (Recommendation No.2)*
 - For the Councils there are two types of write off: Insolvency and Bankruptcy, where the money cannot be retrieved; and All other write offs, where the Council has exhausted all avenues in trying to recoup the outstanding amounts. The Partnership retains all supporting documentation on the Anite system to illustrate the reasons for the write off. Through testing, a small number of discrepancies were detected, but these did not apply to HBBC cases. *(Medium Risk) (Recommendation No.3)*

➤ **Leicestershire Partnership – NNDR** (Page 27)

- Documented procedures are not in place for NWLDC as they have only recently moved to the Academy and Anite systems. Documented procedures for HBBC and HDC are more similar to those in place before the Partnership was established; however there have been minor changes brought about by the Partnership, which have not yet been reflected in the procedures. Procedures for the three Authorities are to be reviewed and unified wherever possible, resulting in the requirement for a new procedure manual to be documented for the Partnership. At present there is a risk that procedures are not appropriately unified to offer the estimated Partnership efficiencies. There is also a risk that if agreed procedures are not documented, they are not appropriately followed by staff. *(Medium Risk) (Recommendation No.1)*
- At present each of the three Authorities operates a different recovery timetable based on previous working practices. As part of the Business Process Re-engineering exercise these are planned to be merged into a Partnership Recovery Timetable. Although delays with recovery action were noted, HBBC recovery has progressed in line with timetable. *(Medium Risk) (Recommendation No.2)*

➤ **Data Compliance 1998 Compliance** (Pages 32 - 33)

- The Council has a contract in place with Steria Ltd for the provision of Specialist Solution Services, who in turn employ Recycle IT 4U Ltd as a sub-contractor for the disposal of IT materials. The audit noted that there was no supporting documentation to show that a proper procedure was in place for the sub-contractor to comply with the requirements of the Act regarding the transferral of personal data. *(High Risk) (Recommendation No.1)*
- Review of the service contract between the Council and Steria makes no direct provision for a sub-contractor to in turn sub-contract work. As the Council remain ultimately responsible for the actions of data processors, it will be important to ensure that the Councils interests and obligations under the Data Protection Act are properly protected to avoid any undue risk of data loss, reputation damage and possible monetary penalty from the Information Commissioner. Any confidential waste should be put into the designated receptacles within each office area. These are identified by their Red collection sacks. However, these are open and not secured as would be generally expected to prevent unauthorised access to and removal of the contents. This may provide an increased risk to the Council of unauthorised access and unlawful disclosure of personal information. *(Medium Risk) (Recommendation No.2)*

➤ **Sheltered Accommodation – Tenants' Funds** (Page 47)

- At one site (Centurion Court) the funds are placed in an account in the Warden's name. Whilst all records of expenditure were in order and funds within the account were nominal, we suggest that tenants' bank account is in a separate name and that the Warden be added as a signatory if required. *(Medium Risk) (Recommendation No.1)*
- In order to ensure transparency and to help protect fund administrators from any suspicion of wrong-doing, regular fund statements should be produced to show all fund movements (income and expenditure). All expenditure should be supported by receipts, and these should be retained for up to three years to allow for proper external check. We noted that at Centurion Court receipts are destroyed after only six months, which means that proper check and reconciliation cannot be undertaken for a full year. *(Medium Risk) (Recommendation No.2)*

4. WORK IN PROGRESS OR PLANNED

- 4.1 There are no audits yet to commence, as all work for 2011/12 has been completed.
- 4.2 One audit has yet to be finalised, relating to the Follow-up of previous recommendations. This was issued as a draft on the 8th March 2012.

5. LIAISON WITH MANAGEMENT AND EXTERNAL AUDIT

- 5.1 Our management staff have met regularly with the Deputy Chief Executive (Corporate Direction), as well as other members of senior management to discuss the progress of the internal audit work.

6. CHANGES TO OUR PLAN

- 6.1 There have been no changes to the Internal Audit Plan 2011/12 since the last Committee meeting.

APPENDIX A: HINCKLEY AND BOSWORTH BOROUGH COUNCIL – OPERATIONAL PLAN PERFORMANCE 2011/12

Detailed below is a summary of the work undertaken in 2011/12 to date, showing the levels of assurance given and the number of recommendations arising. Reports being considered at this Committee are shown in ***bold and italics***. Definitions with regard to the levels of assurance and the classification of recommendations are provided overleaf.

Auditable Area	Start Date	Debrief date	Draft report issued	Responses received	Final report issued	Audit Committee	Audit approach	Audit Days	Assurance level given	Number of Recommendations Made					
										H	M	L	In Total	Agreed	
Work completed to date															
<i>Housing Benefit (shared service)*</i>	<i>07/11/11</i>	<i>21/12/11</i>	<i>23/12/11</i>	<i>16/01/12</i>	<i>18/01/12</i>	<i>March 2012</i>	<i>Key Controls</i>	<i>70*</i>	<i>AMBER / RED</i>	<i>0</i>	<i>5</i>	<i>6</i>	<i>11</i>	<i>11</i>	
<i>Council Tax (shared service)*</i>	<i>28/11/11</i>	<i>21/12/11</i>	<i>23/12/11</i>	<i>19/01/12</i>	<i>20/01/12</i>	<i>March 2012</i>	<i>Key Controls</i>	<i>-*</i>	<i>AMBER / GREEN</i>	<i>0</i>	<i>3</i>	<i>4</i>	<i>7</i>	<i>7</i>	
<i>WDR (shared service)*</i>	<i>28/11/11</i>	<i>22/12/11</i>	<i>13/01/11</i>	<i>19/01/12</i>	<i>31/01/12</i>	<i>March 2012</i>	<i>Key Controls</i>	<i>-*</i>	<i>AMBER / RED</i>	<i>0</i>	<i>2</i>	<i>13</i>	<i>15</i>	<i>15</i>	
<i>Data Protection Compliance</i>	<i>21/11/11</i>	<i>09/12/11</i>	<i>04/01/12</i>	<i>07/02/12</i>	<i>07/02/12</i>	<i>March 2012</i>	<i>Key Controls</i>	<i>6</i>	<i>AMBER / GREEN</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>3</i>	<i>3</i>	
<i>Public Consultations</i>	<i>12/12/11</i>	<i>16/12/11</i>	<i>03/01/12</i>	<i>04/01/12</i>	<i>04/01/12</i>	<i>March 2012</i>	<i>Key Controls</i>	<i>6</i>	<i>GREEN</i>	<i>0</i>	<i>0</i>	<i>2</i>	<i>2</i>	<i>2</i>	
<i>Housing Repairs</i>	<i>05/12/11</i>	<i>17/01/12</i>	<i>25/01/12</i>	<i>29/02/12</i>	<i>08/03/12</i>	<i>March 2012</i>	<i>Advisory</i>	<i>10</i>	<i>N/A</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>N/A</i>	
<i>VAT</i>	<i>19/12/11</i>	<i>23/12/11</i>	<i>13/01/12</i>	<i>23/01/12</i>	<i>24/01/12</i>	<i>March 2012</i>	<i>Key Controls</i>	<i>8</i>	<i>GREEN</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>1</i>	
<i>Sheltered Accommodation (Tenants Funds)</i>	<i>-</i>	<i>-</i>	<i>01/03/12</i>	<i>13/03/12</i>	<i>14/03/12</i>	<i>March 2012</i>	<i>Spot Checks - Key Controls</i>	<i>5</i>	<i>AMBER / GREEN</i>	<i>0</i>	<i>2</i>	<i>4</i>	<i>6</i>	<i>6</i>	
<i>Risk Management Follow-up</i>	<i>15/11/11</i>	<i>N/A</i>	<i>23/11/11</i>	<i>29/11/11</i>	<i>29/11/11</i>	<i>12/12/11</i>	<i>Follow-up</i>	<i>1</i>	<i>ADEQUATE PROGRESS</i>	<i>2</i>	<i>2</i>	<i>0</i>	<i>4</i>	<i>4</i>	
<i>IT Contract</i>	<i>12/09/11</i>	<i>16/09/11</i>	<i>18/10/11</i>	<i>26/10/11</i>	<i>27/10/11</i>	<i>12/12/11</i>	<i>Key Controls</i>	<i>10</i>	<i>GREEN</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	

Auditable Area	Start Date	Debrief date	Draft report issued	Responses received	Final report issued	Audit Committee	Audit approach	Audit Days	Assurance level given	Number of Recommendations Made				
										H	M	L	In Total	Agreed
Corporate Governance	03/10/11	15/10/11	28/10/11	11/11/11	11/11/11	12/12/11	Key Controls	5	GREEN	0	0	4	4	4
Atkins Building – Commercial Income	03/10/11	14/10/11	17/10/11	02/11/11	08/11/11	12/12/11	Key Controls	5	GREEN	0	1	1	2	2
Income and Debtors	05/09/11	15/10/11	26/10/11	31/10/11	01/11/11	12/12/11	Key Controls	8	GREEN	0	0	2	2	2
Creditors	05/09/11	15/10/11	21/10/11	31/10/11	01/11/11	12/12/11	Key Controls	8	GREEN	0	1	2	3	3
Payroll	31/10/11	04/11/11	10/11/11	23/11/11	23/11/11	12/12/11	Key Controls	8	GREEN	0	0	2	2	2
General Ledger	06/11/11	11/11/11	18/11/11	23/11/11	25/11/11	12/12/11	Key Controls	5	GREEN	0	0	2	2	2
Asset Register	03/10/11	15/10/11	19/10/11	7/11/11	22/11/11	12/12/11	Key Controls	8	AMBER / GREEN	0	1	5	6	6
Risk Management	11/07/11	19/08/11	02/09/11	02/09/11	12/09/11	31/10/11	Advisory	5	N/A	8	2	1	11	11
Health and Safety	18/07/11	04/08/11	07/09/11	13/09/11	13/09/11	31/10/11	Key Controls	8	AMBER / GREEN	0	0	7	7	7
Project Management	25/07/11	29/08/11	13/09/11	22/09/11	22/09/11	31/10/11	Key Controls	5	AMBER / GREEN	0	2	4	6	6
Key Performance Indicators	01/08/11	05/08/11	17/08/11	08/09/11	08/09/11	31/10/11	Key Controls	5	AMBER / GREEN	0	2	4	6	6
Planning	12/09/11	16/09/11	27/09/11	12/10/10	12/10/11	31/10/11	Key Controls	6	GREEN	0	1	1	2	2
Housing Allocations & Voids	05/09/11	09/09/11	28/09/11	05/10/11	11/10/11	31/10/11	Key Controls	7	GREEN	0	0	2	2	2
Homelessness	12/09/11	16/09/11	27/09/11	14/10/11	14/10/11	31/10/11	Key Controls	6	AMBER / GREEN	0	3	4	7	7
Treasury Management	12/09/11	16/09/11	26/09/11	17/10/11	17/10/11	31/10/11	Key Controls	6	GREEN	0	0	5	5	5

Auditable Area	Start Date	Debrief date	Draft report issued	Responses received	Final report issued	Audit Committee	Audit approach	Audit Days	Assurance level given	Number of Recommendations Made				
										H	M	L	In Total	Agreed
IT Strategy Review	12/09/11	23/09/11	10/10/11	18/10/11	18/10/11	31/10/11	Key Controls	6	GREEN	0	0	2	2	2
Budgetary Control and Budget Setting	11/07/11	15/07/11	25/07/11	11/08/11	11/08/11	12/09/11	Key Controls	8	GREEN	0	0	1	1	1
Rent Collection and Arrears	11/07/11	22/07/11	08/08/11	10/08/11	11/08/11	12/09/11	Key Controls	5	GREEN	0	0	0	0	0
Community Safety	25/07/11	29/08/11	17/08/11	19/08/11	22/08/11	12/09/11	Key Controls	5	AMBER / GREEN	0	2	2	4	4
Enforcement	01/08/11	05/08/11	17/08/11	24/08/11	24/08/11	12/09/11	Key Controls	6	AMBER / RED	1	2	3	6	5
Car parks	09/05/11	16/05/11	02/05/11	16/06/11	16/06/11	25/07/11	Key Controls	6	GREEN	0	3	0	3	3
Trade Waste (new T allowances)	31/05/11	08/06/11	16/06/11	27/06/11	28/06/11	25/07/11	Key Controls	6	GREEN	0	0	2	2	2
Performance Management	06/06/11	10/06/11	22/06/11	01/07/11	01/07/11	25/07/11	Key Controls	6	GREEN	0	0	3	3	3
Local Development Framework	16/05/11	23/06/11	N/A	N/A	4/07/11	25/07/11	Key Controls	5	GREEN	0	0	0	0	0
Financial Regulations	31/05/11	23/06/11	03/07/11	14/07/11	18/07/11	25/07/11	Key Controls	4	GREEN	0	3	1	4	4
Master Plan	16/05/11	24/06/11	05/07/11	14/07/11	18/07/11	25/07/11	Key Controls	5	GREEN	0	0	1	1	1
Supporting people / Wardens	13/06/11	17/06/11	7/07/11	13/07/11	14/07/11	25/07/11	Key Controls	6	GREEN	0	2	0	2	2
TOTALS TO DATE:								279		12	40	92	144	143

Auditable Area	Start Date	Debrief date	Draft report issued	Responses received	Final report issued	Audit Committee	Audit approach	Audit Days	Assurance level given	Number of Recommendations Made					
										H	M	L	In Total	Agreed	
<i>Work in progress or yet to start (including reports still in draft)</i>															
<i>Follow Up</i>	-	N/A	08/03/12			March 2012	Follow-up	9							
Contracts Review	-	-	-	-	-	-	-	10							
Audit Management	N/A	-	-	-	-	-	-	25							
TOTAL								44							

NB * Shared Service Revenues and Benefits Reviews Days 70 = total number of days for combined review of three audit areas: Council Tax, NNDR, and Housing Benefits. Final costs are to be apportioned between each of the three District Councils.

APPENDIX B: HINCKLEY AND BOSWORTH BOROUGH COUNCIL – EXECUTIVE SUMMARIES AND ACTION PLANS

LEICESTERSHIRE PARTNERSHIP (REVENUES AND BENEFITS) – HOUSING BENEFITS

1. EXECUTIVE SUMMARY

1.1 INTRODUCTION

An audit of the Leicestershire Partnership (Revenues and Benefits) Housing Benefits system was undertaken as part of the approved internal audit periodic plan for 2011/12.

The Leicestershire Partnership (Revenues and Benefits) - ‘the Partnership’ - was formed in 2011 to provide a shared service regarding the processing of the Revenues and benefits areas of Council Tax, National Non-Domestic Rates, and Housing and Council Tax Benefits for Harborough District Council (HDC), Hinckley and Bosworth Borough Council (HBBC), and North West Leicestershire District Council (NWLDC). HDC went ‘live’ on June 1st, and NWLDC on August 1st and there has been an on-going period of transition for all three Councils to the Partnership systems during the course of the year.

Staff working for the Partnership are based at the Atkins offices within Hinckley. Staff are employed by the individual Councils, but operate within the unified Partnership management structure. Additional recruitment has also been necessary to cover vacant posts resulting in the setting up of this partnership. The Partnership is overseen by a board consisting of Chief Executives from each of the three Councils. In addition to this a Joint Committee arrangement is in place which consists of one Executive Member from each Council and performance reporting is managed through this committee.

As 2011/12 is the first year of operations for the Partnership, this is also the first time that each service area (Council Tax, NNDR and Benefits) has been audited. The audits were undertaken in tandem, and as a result, a number of recommendations are applicable across all three areas. In such cases and to avoid repetition, the recommendations have only been fully stated within the Housing Benefits report.

Overall, a number of issues have been identified which require improvement in order for the Partnership to reach a higher level of performance. In particular, there is a common theme across the three service areas regarding the streamlining of processes and procedures. The Partnership management recognise that this is an issue, and are working towards harmonisation, but have stressed that the initial priority following transition was to ensure that the new operating systems were bedded down and that work was brought up-to-date.

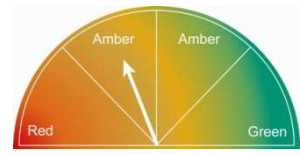
It would be expected that over time, as operating procedures do become embedded, and as procedures are streamlined and standardised many of those issues which arose during the course of our audits and which were caused by the newness of the Partnership arrangements will be overcome, and it is noticeable from all three of the audits that we have identified less problems with operations for more recent processing, which would indicate that the desired improvements are occurring.

The audit was designed to assess the controls in place to manage the following objectives and risks:

Objective	To ensure that housing and council tax benefits are paid accurately and promptly to eligible claimants in line with statutory legislation and expected performance requirements.
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Risk	<p>Staff do not know what they are responsible for, or how they should carry out their duties, leading to non-compliance with legislation, laws or organisational policy and procedures.</p> <p>Losses due to fraud or error, inefficient processing or inappropriate activity.</p> <p>The Leicestershire Partnership Housing Benefits system is not administered appropriately.</p> <p>Benefit fraud is not identified or investigated.</p> <p>Poor decision making, due to poor quality or timeliness of information provided to management.</p>
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1.2 CONCLUSION



Taking account of the issues identified, whilst the Board can take some assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective, action needs to be taken to ensure this risk is managed.

The above conclusions feeding into the overall assurance level are based on the evidence obtained during the review. The key findings from this review are as follows:

Effectiveness

- Performance for all three Councils is currently failing to reach agreed targets. The senior management within the Partnership and at each Council are fully aware of the on-going issues in this area, and continue to monitor resourcing requirements.

Design of control framework

- Whilst the Councils have individually brought forward a large number of policy and procedural documents, these have not generally been compiled into unified, consistent 'Partnership' policies.

Application of and compliance with control framework

- A number of generally low level discrepancies and omissions were noted as a result of our testing of this area. As a result, we have made a number of recommendations to address the issues raised.

1.3 SCOPE OF THE REVIEW

To evaluate the adequacy of risk management and control within the system and the extent to which controls have been applied, with a view to providing an opinion. Control activities are put in place to ensure that risks to the achievement of the organisation’s objectives are managed effectively. When planning the audit, the following controls for review and limitations were agreed:

Limitations to the scope of the audit:

- We will undertake an assessment of the adequacy of aspects of control framework and we will undertake limited testing to confirm its operation in practice.
- Our work does not provide any guarantee against material errors, loss or fraud or provide assurance that material error, loss or fraud does not exist.
- We will not review the accuracy of Housing/Council Tax Benefit claims. Where processes originate as a Partnership responsibility, but are then passed on to staff at the individual Districts (e.g. write-offs, refunds, reconciliations), the audit will only review the Partnership activities.

The approach taken for this audit was a Risk-Based Audit.

1.4 RECOMMENDATIONS SUMMARY

The following tables highlight the number and categories of recommendations made. The Action Plan at Section 2 details the specific recommendations made as well as agreed management actions to implement them.

Recommendations made during this audit:

Our recommendations address the design and application of the control framework as follows:

	Priority		
	High	Medium	Low
Design of control framework	0	2	0
Application of control framework	0	3	6
Total	0	5	6

The recommendations address the risks within the scope of the audit as set out below:

Risk	Priority		
	High	Medium	Low
Staff do not know what they are responsible for, or how they should carry out their duties, leading to non-compliance with legislation, laws or organisational policy and procedures.	0	1	0
Losses due to fraud or error, inefficient processing or inappropriate activity.	0	2	3
The Leicestershire Partnership Housing Benefits system is not administered appropriately.	0	2	1
Benefit fraud is not identified or investigated.	0	0	2
Poor decision making, due to poor quality or timeliness of information provided to management.	0	0	0
Total	0	5	6

2 ACTION PLAN

The priority of the recommendations made is as follows:

Priority	Description
High	Recommendations are prioritised to reflect our assessment of risk associated with the control weaknesses.
Medium	
Low	
Suggestion	These are not formal recommendations that impact our overall opinion, but used to highlight a suggestion or idea that management may want to consider.

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Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
1	Standard procedure notes should be harmonised to ensure that a consistent approach to Housing and Council Tax Benefits processing is undertaken across all three Councils within the Partnership. Once developed and appropriately approved, these should be disseminated to all Partnership Benefits staff and a master copy retained within the Benefits department for ease of reference. Once compiled, the procedures should be regularly reviewed and up-dated as necessary.	Medium	Y	HDC and HBBC have their own set of procedure notes and the intention is that during 2012 this will be standardised for all three councils. This will be included in the Partnership's Service 2012/13 Plan. These procedures will be all be made accessible to all staff through the online ACS training tool. The focus for the partnership has had to be to reduce backlogs and thus improve performance	March 2013	Russell York

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
2	<p>It should be ensured that staff who have left are removed from the system immediately.</p> <p>In addition, access rights for all employees should be reviewed to ensure that the level of access reflects their current job role.</p>	Medium	Y	<p>Starter and leaver forms used to access each Council's networks will be utilised for this process to ensure the relevant access is recorded.</p> <p>These will be logged and maintained by systems admin team.</p>	April 2012	Lesley Gardner
3	All relevant staff should complete the Partnership declaration of interest form.	Medium	Y	<p>A staff declaration of interest form will be issued to all staff who access partnership IT systems.</p> <p>There is an audit log held within the Capita Academy systems who has viewed and updated records.</p> <p>Additionally a further system control already exists which prevents users from accessing pre-determined accounts.</p> <p>It should be noted that staff are made aware when they commence employment/sign their contract that accessing the system for non work related or fraudulent purposes will lead to disciplinary action, which could result in dismissal.</p>	February 2012	Leigh Butler

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
4	The system parameters should be input by one member of staff and then be checked by an independent member of staff to ensure all information has been accurately input.	Medium	Y	For NWL these are independently checked by internal audit, although this check was not completed for 2011/12. No Issue for HBBC. For HDC an electronic spreadsheet was provided unfortunately the checked paper version could not be located	January / February 2012	Benefit Team Leaders
5	New claims should only be assessed upon receipt of a completed and signed new claims form. In addition, evidence should be retained to show that all relevant documentation has been requested and obtained from the claimant prior to assessing the information.	Medium	Y	The new management Quality Assurance system to be introduced in January 2012 will assist in this. Staff will be reminded of this to include customer services	January 2012	Russell York

LEICESTERSHIRE PARTNERSHIP (REVENUES AND BENEFITS) – COUNCIL TAX

1. EXECUTIVE SUMMARY

1.1 INTRODUCTION

An audit of Leicestershire Partnership (Revenues and Benefits) Council Tax processing was undertaken as part of the approved internal audit periodic plan for 2011/12.

The Leicestershire Partnership (Revenues and Benefits) - 'the Partnership' - was formed in 2011 to provide a shared service regarding the processing of the Revenues and benefits areas of Council Tax, National Non-Domestic Rates, and Housing Benefits for Harborough District Council (HDC), Hinckley and Bosworth Borough Council (HBBC), and North West Leicestershire District Council (NWDLC). HDC went 'live' on June 1st, and NWLDC on August 1st and there has been an on-going period of transition for all three Councils to the Partnership systems during the course of the year.

Staff working for the Partnership are based at the Atkins offices within Hinckley and are employed by the individual Councils but operates within the unified Partnership management structure. Additional recruitment has also been necessary to cover vacant posts resulting in the setting up of this Partnership. The Partnership is overseen by a Board consisting of the Chief Executives from each of the three Councils, In addition to this a Joint Committee arrangement are in place which consists of one Executive Member from each Council and performance reporting is managed through this Committee.

As 2011/12 is the first year of operations for the Partnership, this is also the first time that each service area (Council Tax, NNDR and Benefits) has been audited. The audits were undertaken in tandem, and as a result, a number of recommendations are applicable across all three areas. In such cases and to avoid repetition, the recommendations have only been fully stated within the Housing Benefits report.

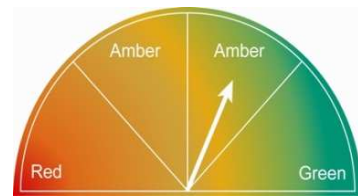
Overall, a number of issues have been identified which require improvement in order for the Partnership reach a higher level of performance. In particular, there is a common theme across the three service areas regarding the streamlining of processes and procedures. The Partnership management recognise that this is an issue, and are working towards harmonisation, but have stressed that the initial priority following transition was to ensure that the new operating systems were bedded down and that work was brought up-to-date.

It would be expected that over time, as operating procedures do become embedded, and as procedures are streamlined and standardised many of those issues which arose during the course of our audits and which were caused by the newness of the Partnership arrangements will be overcome, and it is noticeable from all three of the audits that we have identified less problems with operations for more recent processing, which would indicate that the desired improvements are occurring.

The audit was designed to assess the controls in place to manage the following objectives and risks:

Objective	To ensure that the Partnership Council Tax system operates effectively to collect Tax due in line with statutory legislation and management requirements.
Risk	<p>Staff do not know what they are responsible for, or how they should carry out their duties, leading to non-compliance with legislation, laws or organisational policy and procedures.</p> <p>Losses due to fraud or error, inefficient processing or inappropriate activity.</p> <p>Inaccurate, incomplete or untimely Council Tax bills, leading to lost income.</p> <p>Properties and valuation bands are not included in the Council Tax register, leading to lost income.</p> <p>Unauthorised discounts and exemptions are applied.</p> <p>Failure to monitor payments and take prompt action against non-payment, leading to lost income.</p> <p>Irrecoverable debts are not written off, leading to continuous adverse effects on key performance indicators.</p> <p>Write-offs are not authorised before being processed.</p> <p>Poor decision making, due to poor quality or timeliness of information provided to management.</p>

1.2 CONCLUSION



Taking account of the issues identified, the Board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

However we have identified issues that, if not addressed, increase the likelihood of the risk materialising.

The above conclusions feeding into the overall assurance level are based on the evidence obtained during the review. The key findings from this review are as follows:

Design of control framework

- Whilst HDC and HBBC have brought forward staff, working practices and policies and procedures from the previous individual Council systems, this did not occur with regards to NWLDC (although NWLDC do have procedure notes for critical tasks), as development of a comprehensive procedure manual at NWLDC was not deemed an efficient use of resources due to the imminent transfer to Partnership systems. Standardisation of procedures for all three Councils during 2012 will be included in the Partnership's Service 2012/13 Plan.

Application of and compliance with control framework

- With regards to the actual processing of Council Tax payments, our testing identified a number of relatively minor discrepancies. These are generally spread across the three Councils, and are also likely to have been caused more by the transition to the new arrangements, rather than by on-going problems with the systems now in place. However, where appropriate, we have made recommendations to address any issues identified.

1.3 SCOPE OF THE REVIEW

To evaluate the adequacy of risk management and control within the system and the extent to which controls have been applied, with a view to providing an opinion. Control activities are put in place to ensure that risks to the achievement of the organisation's objectives are managed effectively. When planning the audit, the following controls for review and limitations were agreed:

Limitations to the scope of the audit:

- We will undertake an assessment of the adequacy of aspects of the control framework and we will undertake limited testing to confirm its operation in practice.
- Our work does not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist.
- Where processes originate as a Partnership responsibility, but are then passed on to staff at the individual Council (e.g. write-offs, refunds, reconciliations), the audit will only review the Partnership activities.

The approach taken for this audit was a Risk-Based Audit.

1.4 RECOMMENDATIONS SUMMARY

The following tables highlight the number and categories of recommendations made. The Action Plan at Section 2 details the specific recommendations made as well as agreed management actions to implement them.

Recommendations made during this audit:

Our recommendations address the design and application of the control framework as follows:

	Priority		
	High	Medium	Low
Design of control framework	0	0	0
Application of control framework	0	3	4
Total	0	3	4

The recommendations address the risks within the scope of the audit as set out below:

Risk	Priority		
	High	Medium	Low
Staff do not know what they are responsible for, or how they should carry out their duties, leading to non-compliance with legislation, laws or organisational policy and procedures.	0	1	0
Losses due to fraud or error, inefficient processing or inappropriate activity.	0	0	0
Inaccurate, incomplete or untimely Council Tax bills, leading to lost income.	0	0	2
Properties and valuation bands are not included in the Council Tax register, leading to lost income.	0	0	1
Unauthorised discounts and exemptions are applied.	0	1	0
Failure to monitor payments and take prompt action against non payment, leading to lost income.	0	0	0
Irrecoverable debts are not written off, leading to continuous adverse effects on key performance indicators.	0	0	1
Write-offs are not authorised before being processed.	0	1	0
Poor decision making, due to poor quality or timeliness of information provided to management.	0	0	0
Total	0	3	4

2 ACTION PLAN

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
1	<p>Standard procedure notes should be developed to ensure that a consistent approach to Council Tax processing is undertaken across all three Councils within the Partnership. Once developed and appropriately approved, these should be disseminated to all Council Tax staff and a master copy retained within the Council Tax department for ease of reference.</p> <p>Once compiled, the procedures should be regularly reviewed and up-dated as necessary.</p>	Medium	Y	<p>HDC & HBBC do have their own set of procedure notes and the intention is that during 2012 this will be standardised. This will be included in the Partnership's Service 2012/13 Plan.</p> <p>These procedures will be made accessible to all staff through the online ACS training tool.</p> <p>The focus for the partnership has had to be to reduce backlogs and thus improve performance.</p>	March 2013	Robin Watkin
2	All supporting documentation should be obtained for all cases before a discount is verified and applied to the claimant.	Medium	Y	<p>All discounts will be held within the DMS system.</p> <p>Anything awarded prior to this (NWL & HDC) are stored on paper files.</p>	January 2012	Claire Stone Linda Howe
3	For all write offs, appropriate supporting documentation should be retained on the system.	Medium	Y	<p>The supporting information will be held in the DMS system.</p> <p>The write pro-forma will be signed off.</p> <p>A full review is currently being undertaken.</p>	February 2012	Karen Waterfield Jane Brown

LEICESTERSHIRE PARTNERSHIP (REVENUES AND BENEFITS) – NNDR

1. EXECUTIVE SUMMARY

1.1 INTRODUCTION

An audit of NNDR was undertaken as part of the approved internal audit periodic plan for 2011/12.

The Leicestershire Partnership (Revenues and Benefits) - 'the Partnership' - was formed in 2011 to provide a shared service for the processing of Council Tax, National Non-Domestic Rates (NNDR), and Housing and Council Tax Benefits for Harborough District Council (HDC), Hinckley and Bosworth Borough Council (HBBC), and North West Leicestershire District Council (NWLDC). HDC went 'live' on June 1st, and NWLDC on August 1st and there has been an on-going period of transition for all three Councils to the Partnership systems during the course of the year.

Staff members working for the Partnership are based at the Atkins offices at Hinckley. They are employed by the individual Councils, but operate within the unified Partnership management structure. Additional recruitment has been necessary to cover vacant posts resulting in the setting up of this Partnership. The Partnership is overseen by a Board consisting of Chief Executives from each of the three Councils. In addition to this, a Joint Committee arrangement is in place which consists of one Executive Member from each Council and performance is monitored through this Committee.

As 2011/12 is the first year of operations for the Partnership, this is also the first time that each service area (Council Tax, NNDR and Benefits) has been audited. The audits were undertaken in tandem and, as a result, a number of recommendations are applicable across all three areas. In such cases and to avoid repetition, the recommendations have only been fully stated within the Housing Benefits report.

Overall, a number of issues have been identified which require improvement in order for the Partnership reach a higher level of performance. In particular, there is a common theme across the three service areas regarding the streamlining of processes and procedures. The Partnership management recognise that this is an issue, and are working towards harmonisation, but have stressed that the initial priority following transition was to ensure that the new operating systems were bedded down and that work was brought up-to-date.

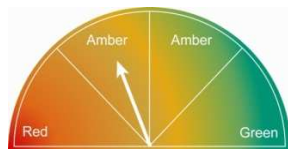
It would be expected that over time, as operating procedures do become embedded, and as procedures are streamlined and standardised many of those issues which arose during the course of our audits and which were caused by the newness of the Partnership arrangements will be overcome, and it is noticeable from all three of the audits that we have identified less problems with operations for more recent processing, which would indicate that the desired improvements are occurring.

The audit was designed to assess the controls in place to manage the following objectives and risks:

Objective	To operate an efficient and effective NNDR administration system across the Leicestershire Partnership.
Risk	<p>Staff do not know what they are responsible for, or how they should carry out their duties, leading to non-compliance with legislation, laws or organisational policy and procedures.</p> <p>Losses due to fraud or error, inefficient processing or inappropriate activity.</p> <p>Inaccurate, incomplete or untimely NNDR bills, leading to lost income.</p> <p>Properties and valuation bands are not included in the NNDR Tax register, leading to lost income.</p> <p>Unauthorised discounts and exemptions are applied.</p> <p>Failure to monitor payments and take prompt action against non-payment, leading to lost income.</p> <p>Irrecoverable debts are not written off, leading to continuous adverse effects on key performance indicators.</p> <p>Write-offs are not authorised before being processed.</p> <p>Poor decision-making, due to poor quality or timeliness of information provided to management.</p> <p>Small Business rate relief is not calculated or applied correctly.</p>

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1.2 CONCLUSION



Taking account of the issues identified, whilst the Board can take some assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective, action needs to be taken to ensure this risk is managed.

The above conclusions feeding into the overall assurance level are based on the evidence obtained during the review. The key findings from this review are as follows:

Design of control framework

- Whilst HDC and HBBC have brought forward staff, working practices and policies and procedures from the previous individual Council systems, this did not occur with regards to NWLDC (although NWLDC do have procedure notes for critical tasks), as development of a comprehensive procedure manual at NWLDC was not deemed an efficient use of resources due to the imminent transfer to Partnership systems. Standardisation of procedures for all three Councils during 2012 will be included in the Partnership's Service 2012/13 Plan.
- At the time of the audit, each of the three Councils was operating a different recovery timetable based on previous working practices. Prior to the time of the audit, no recovery action had been taken for NWLDC since joining the Partnership and therefore payments of outstanding debts had not been enforced. However, in December 2011 appropriate recovery action had begun.

Application of and compliance with control framework

- With regards to the actual processing of NNDR payments, our testing identified a number of relatively minor discrepancies. These are generally spread across the three Councils, and are also likely to have been caused more by the transition to the new arrangements rather than by on-going problems with the systems now in place. However, where appropriate, we have made recommendations to address any issues identified.

1.3 SCOPE OF THE REVIEW

To evaluate the adequacy of risk management and control within the system and the extent to which controls have been applied, with a view to providing an opinion. Control activities are put in place to ensure that risks to the achievement of the organisation's objectives are managed effectively. When planning the audit, the following limitations were agreed:

Limitations to the scope of the audit:

- We will undertake an assessment of the adequacy of aspects of the control framework and we will undertake limited testing to confirm its operation in practice.
- Our work does not provide any guarantee against material error, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist.
- Where processes originate as a Partnership responsibility but are then passed on to staff at the individual Districts (e.g. write-offs, refunds, reconciliations), the audit will only review the Partnership activities. At this stage it is intended that RSM Tenon will produce a single, unified report for this area, in the standard HBBC reporting format. If further report formats are required, this may lead to additional time charges.

The approach taken for this audit was a Risk-Based Audit.

1.4 RECOMMENDATIONS SUMMARY

The following tables highlight the number and categories of recommendations made. The Action Plan at Section 2 details the specific recommendations made as well as agreed management actions to implement them.

Recommendations made during this audit:

Our recommendations address the design and application of the control framework as follows:

	Priority		
	High	Medium	Low
Design of control framework	0	2	2
Application of control framework	0	0	9
Total	0	2	11

The recommendations address the risks within the scope of the audit as set out below:

Risk	Priority		
	High	Medium	Low
Staff do not know what they are responsible for, or how they should carry out their duties, leading to non-compliance with legislation, laws or organisational policy and procedures.	0	1	4
Losses due to fraud or error, inefficient processing or inappropriate activity.	0	0	0
Inaccurate, incomplete or untimely NNDR bills, leading to lost income.	0	0	1
Properties and valuation bands are not included in the NNDR Tax register, leading to lost income.	0	0	1
Unauthorised discounts and exemptions are applied.	0	0	1
Failure to monitor payments and take prompt action against non payment, leading to lost income.	0	1	2
Irrecoverable debts are not written off, leading to continuous adverse effects on key performance indicators.	0	0	0
Write-offs are not authorised before being processed.	0	0	1
Poor decision making, due to poor quality or timeliness of information provided to management.	0	0	1
Small Business rate relief is not calculated or applied correctly.	0	0	0
Total	0	2	11

2 ACTION PLAN

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
1	The Partnership should document a set of procedures which detail the daily activities undertaken by the NNDR team. Procedures should be streamlined across all three Councils wherever possible, following the Business Process Re-engineering exercise.	Medium	Y	<p>HDC & HBBC do have their own set of procedure notes. NWLDC has procedure notes for critical processes. The intention is that during 2012 this will be standardised for all three Councils. This will be included in the Partnership's Service 2012/13 Plan.</p> <p>These procedures will be made accessible to all staff through the online ACS training tool.</p> <p>The focus for the Partnership has had to be to reduce backlogs and thus improve performance.</p>	April 2012 to March 2013	Robin Watkin Jon Beange
2	As planned the recovery timetable for the Partnership should be developed to ensure that efficiencies in the Partnership are achieved. Until then, recovery action should take place for each of the Council's in line with legacy recovery procedures.	Medium	Y	<p>Proportionately the vast majority of tax payers will pay their dues without the need for recovery action (approximately 75% of payers within NWLDC pay by DD who would never receive a reminder, therefore the risk of delaying (not stopping) recovery action is not as high as first seems. For HDC and HBBC recovery action has taken place and for NWL recovery have been issued from December 2011.</p> <p>For HDC recovery will be transferred to the enforcement team.</p>	April 2012	Sue Williams-Lee

DATA PROTECTION 1998 COMPLIANCE ARRANGEMENTS

1. EXECUTIVE SUMMARY

1.1 INTRODUCTION

An audit of data protection compliance arrangements at Hinckley and Bosworth Borough Council was undertaken as part of the approved internal audit periodic plan for 2011/12.

The Data Protection Act 1998 requires a strict regime of control to be exercised over personal information which falls within the definition of 'personal data' and applies equally to data recorded in automated systems, manual files falling under the definition of a relevant filing system and other storage media such as microfiche and CCTV.

Following the Durant judgment of 2003, personal data can be defined as *"The identification of a living individual from the data, or, from the data and other information in the possession of or likely to come into the possession of, the data controller"*

The Data Protection Act is enforced by the Information Commissioner. Broadly speaking, the Act works in two ways:

- It may be considered to empower data subjects (living individuals who are the subject of personal data) by conferring certain rights, and
- ensures transparency of processing by data controllers (the legal entity processing the information) to explain to individuals how their data will be used (Principle 1) and by providing the right of subject access under Section 7 whereby individuals can request access to their data.

The Data Protection Act imposes a legal obligation for organisations to notify the Information Commissioner of the processing carried out, and organisations have a statutory responsibility to comply with the eight principles of the Act to ensure data is obtained and processed fairly and lawfully and not processed in any manner incompatible with the purpose for which it was provided. Ensuring compliance with the eight principles is not simply an issue of operating within the law; it also requires procedures and controls to be in place for the effective handling of personal information and respecting the interests of data subjects.

There are a number of exemptions available for defined processing purposes as well as criminal offences created by the Act covering notification, processing and disclosure. The Information Commissioner has the right to serve an enforcement notice to cease processing upon any Data Controller who they are satisfied has or is contravening the eight principles. Since the 1st April 2010 the Information Commissioner has also had the power to impose a financial penalty of up to £500,000 on a Data Controller responsible for a "significant" data loss leading to actual or potential unauthorised disclosure of personal information. Since November 2010 the Information Commissioner has used this power to issue eight monetary fines ranging from £60,000 to £120,000 as a result of data losses caused by poor internal control practices. Thus control over this aspect of the Council's business arrangements is vital in ensuring statutory compliance and continuity of data processing.

Our review has concentrated on:

- data protection governance
- staff data protection training and awareness
- aspects of organisational security of personal data; and
- requests for personal data

These are areas that from review of the published Executive Summaries of Information Commissioner consensual audits represent those areas of core importance to compliance and also represent areas being currently criticised by the Information Commissioner in recent monetary fine decision notices and incident decisions.

Objective	To review the management arrangements and procedures which assist the Council in their compliance with the Data Protection Act 1998.
Risk	<ul style="list-style-type: none"> ▪ Ineffective co-ordination of the Data Protection Act within the Council. ▪ Procedures are not sufficient in order to identify all processing necessary to complete the statutory data protection Notification. ▪ Procedures are not in place to prevent a breach of the Data Protection Act which could result in enforcement action, financial penalty or reputational damage. ▪ There is a procedure to respond to data protection subject access requests.

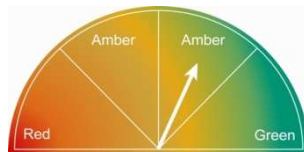
1.2 CONCLUSION

Taking account of the issues identified, the Audit Committee can take reasonable assurance that the controls upon which the Council relies to manage this risk are suitably designed, consistently applied and effective.

However we have identified a small number of issues that, if not addressed, increase the likelihood of the risk materialising.

Our main concern is with the potential access to personal information within the confidential waste arrangements. Management are reviewing the arrangements although the system may not be fully replaced until the Council relocate to the Hinckley Hub in late 2012.

We are pleased to note that the Council has very good Governance arrangements in place with knowledgeable and committed staff in the primary Information Governance roles. The guidance and policies in place for this area are also considered to provide a good level of background information.



The above conclusions feeding into the overall assurance level are based on the evidence obtained during the review. However, we have made one high, one medium and one low category recommendations as well as 3 suggestions all of which may assist the Council maintain its compliance framework. These are all included within the action plan at Section 2. The key areas identified are:

- The secure cleansing and destruction of Electronic Media from redundant / obsolete kit is provided as part of the IT service contract between the Council and Steria Ltd. Steria have sub-contracted the removal and secure destruction of obsolete IT equipment, including media that may contain person identifiable information to Recycle IT 4U Ltd within the terms of the service contract. However, Recycle IT 4U Ltd have further subcontracted part of this service on to Engelhard. We are concerned that there is no contractual right in the service contract between the Council and Steria for an approved sub-contractor to further sub-contract part of the service and this may provide a risk to the Council under the data processor requirements of the Data Protection Act.
- Estates manage the secure destruction of paper waste. However, whilst there are designated receptacles for confidential paper waste within the offices, these are open and not secured to prevent unauthorised access to and removal of the contents. This may provide an increased risk to the Council of unauthorised access and unlawful disclosure of personal information. We were informed that a new contract involving locked collection bins will be in place as part of the Council's move to the new Hinckley Hub offices, although this is not expected before late 2012. In the meantime, an increased risk to the Council will remain.

1.3 SCOPE OF THE REVIEW

To evaluate the adequacy of risk management and control within the system and the extent to which controls have been applied, with a view to providing an opinion. Control activities are put in place to ensure that risks to the achievement of the Council's objectives are managed effectively. When planning the audit, the following controls for review and limitations were agreed:

Limitations to the scope of the audit:

- The audit confirmed the presence or absence of controls rather than detailed testing of specific areas or an assessment of whether policies and procedures are fit for purpose;
- The scope of our work was limited to those areas examined and reported upon in the context of the objectives set out above. It should not, therefore, be considered as a comprehensive review of all aspects of compliance with the principles of the Data Protection Act 1998. The information in the report should therefore not be considered to detail all areas where error, risks or areas of non-compliance that may exist either now or in the future;
- With reference to the requirements of the seventh principle, our scope was limited to confirming that a DPA Policy is in place and did not extend to the many technical controls that the Council may be expected to employ to provide a reasonable control framework over its operating environment as required by the seventh principle;
- The Council's arrangements with their data processors were not included within this scope of work; and
- The audit focussed on the management aspects of compliance arrangements for the Data Protection Act only.

Please Note: The information provided in this report does not replace or negate the need for professional legal advice.

The approach taken for this audit was a Risk-Based Audit.

1.4 RECOMMENDATIONS SUMMARY

The following tables highlight the number and categories of recommendations made. The Action Plan at Section 2 details the specific recommendations made as well as agreed management actions to implement them.

Recommendations made during this audit:

Our recommendations address the design and application of the control framework as follows:

	Priority		
	High	Medium	Low
Design of control framework	-	-	-
Application of control framework	1	1	1
Total	1	1	1

The recommendations address the risks within the scope of the audit as set out below:

Risk	Priority		
	High	Medium	Low
Effective co-ordination of the Data Protection Act within the Council	-	-	-
Procedures are sufficiently robust to identify all processing necessary to complete the statutory data protection Notification	-	-	-
Procedures are in place to prevent a breach of the Data Protection Act which could result in enforcement action, financial penalty or reputational damage	1	1	1
There is a procedure to respond to data protection subject access requests.	-	-	-
Total	1	1	1

2 ACTION PLAN

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
1	Management should ensure that the subcontracting of the secure destruction of electronic media by Recycle IT 4U Ltd to Engelhard is fully in accordance with, and meets the assessment requirements of, the Service Contract between the Council and Steria Ltd.	High	Yes	The contract will be checked and amendments to arrangements made if appropriate.	March 2012	Louisa Horton
2	Management should assess the risk associated with the current open confidential waste receptacles in Council Offices and consider whether a more secure option to mitigate any risk of data loss in the short term, pending the move to the new Hinckley Hub should be introduced.	Medium	Yes	<p>The Asset Management team proposes the following:</p> <ul style="list-style-type: none"> • Establish whether waste paper can again be segregated so less is managed as confidential and requires secure handling. • Introduce large capacity lockable bins in key areas generating paper waste. • Use this exercise as a pilot project to move towards centralised waste bins and away from multiple waste bins in each area or under each desk. This is to be for all types of waste. • Establish a preferred supplier for bins across Council offices so that style can be standardised and the new style utilised now at Argents Mead and the existing Depot but such bins being transferrable to the new locations. <p>It is noted that strongly securing the neck of a flimsy polythene bag may be somewhat futile</p>	March 2012	Malcolm Evans

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
				however, it is intended to continue to use coloured bags for such waste so they are readily identifiable and encompass procedural instructions that the necks should be secured by tying or tags. To investigate whether completely obscured coloured bags can be utilised.		

PUBLIC CONSULTATIONS

1. EXECUTIVE SUMMARY

1.1 INTRODUCTION

An audit of Public Consultations was undertaken as part of the approved internal audit periodic plan for 2011/12.

The audit reviewed the Council’s programme of public consultations; the process for requiring, undertaking and analysing results of consultations, evidence of linkages between strategic objectives, public consultations, and eventual outcomes, and Citizens Panel recruitment and membership and Equality.

The Council has in place a ‘Communication and Engagement Strategy’, which currently covers 2009-2012. The Strategy operates in conjunction with a set of published ‘Consultation Standards’. Overall the Strategy and Standards have the following aims:-

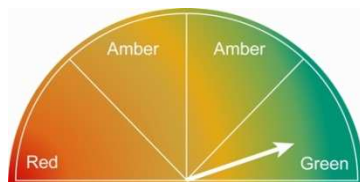
- To use appropriate methods of consultation and engagement to reach all sections of the community, including those who are harder to engage with.
- To understand public opinion and to use this understanding to inform priorities and to improve service delivery recognising the differences of particular communities or areas or interest groups.
- To provide informative feedback to participants on how their views will influence future decisions, or why their aspirations cannot be realised
- To comply with statutory requirements for community engagement, for example the requirements of equalities, planning and other legislation, and the Council’s statement of community involvement.

The Standards outline ten key principles for the way that the Council implements the Strategy, including ensuring that consultations are Universal; Inclusive; Appropriate; Timely; Rigorous; Proportionate; Usable; Meaningful; Confidential and Accountable.

The audit was designed to assess the controls in place to manage the following objectives and risks:

Objective	The Council uses all appropriate methods to consult local stakeholders regarding key strategic and operational developments.
Risk	The operations of the Council do not reflect the requirements or expectations of local stakeholders.

1.2 CONCLUSION



Taking account of the issues identified, the Council can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

The above conclusions feeding into the overall assurance level are based on the evidence obtained during the review. The key findings from this review are as follows:

Design of control framework

- There is a published Consultation Strategy and accompanying set of Consultation Standards in place.
- The Consultation process and information regarding individual areas of consultation are clearly accessible via the Council's internet site.
- Appropriate procedures are in place to ensure the Council's on-going compliance with statutory requirements regarding representation and equality.

Application of and compliance with control framework

- Consultations have been undertaken for all relevant projects;
- Annual consultations are undertaken for key areas regarding budgets and customer satisfaction;
- There is some potential for further evidencing the impact of consultations on actual Council policies and decision-making.

1.3 SCOPE OF THE REVIEW

To evaluate the adequacy of risk management and control within the system and the extent to which controls have been applied, with a view to providing an opinion. Control activities are put in place to ensure that risks to the achievement of the organisation's objectives are managed effectively. When planning the audit, the following controls for review and limitations were agreed:

Limitations to the scope of the audit:

- We will undertake an assessment of the adequacy of aspects of the control framework and we will undertake limited testing to confirm its operation in practice.
- Our work does not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist.

The approach taken for this audit was a Risk-Based Audit.

1.4 RECOMMENDATIONS SUMMARY

The following tables highlight the number and categories of recommendations made. The Action Plan at Section 2 details the specific recommendations made as well as agreed management actions to implement them.

Recommendations made during this audit:

Our recommendations address the design and application of the control framework as follows:

	Priority		
	High	Medium	Low
Design of control framework	0	0	0
Application of control framework	0	0	2
Total	0	0	2

The recommendations address the risks within the scope of the audit as set out below:

Risk	Priority		
	High	Medium	Low
The operations of the Council do not reflect the requirements or expectations of local stakeholders.	0	0	2
Total	0	0	2

2 ACTION PLAN – No ‘High’ or ‘Medium’ Risk Recommendations were raised as part of this review.

HOUSING REPAIRS

1. EXECUTIVE SUMMARY

1.1 INTRODUCTION

An audit of Housing Repairs was undertaken as part of the approved internal audit periodic plan for 2011/12.

The Council's housing repairs service was undertaken by the external contractor, Willmott Dixon (formerly 'Inspace') from 2007/08 under an open-book agreement, up until 29th September 2011. There have been a number of disputes and disagreements with Willmott Dixon over the years regarding the cost of the service.

At the request of senior management, this audit focussed on selected costs included in Willmott Dixon's invoices numbers 670271 (£90,212.51), 670272 (£303.07) and 670273 (£888.41). In an e-mail to Willmott Dixon on 30th November 2011, Chief Officer for Business, Contracts and Street Scene Services raised the following objections regarding these invoices:-

1. The costs for the period are much higher than the same period last year;
2. The scale and volume of the works carried out do not justify the amount being invoiced;
3. Overheads have increased significantly on the same period last year;
4. The Period 13 payment should have eliminated Work in Progress and thus created a 'clean sheet' for the period of April - September 2011 and consequently a lower final outturn figure;
5. A significantly reduced amount of repairs were carried out compared during April - September 2011 target volumes and the same time period of last year;
6. A significantly higher number of works were left outstanding at the end of contract compared to what was agreed (this will impact on any variable profit verification works);
7. Over 2,000 jobs are still showing as incomplete on the Council's Housing Management System despite requests to rectify this situation for most of the calendar year (this will impact on any variable profit verification works);
8. A number of works completed at the end of the contract were to an unsatisfactory standard (this will impact on any variable profit verification works). Remedial works have been carried out at the Council's expense and a separate invoice will be issued for reimbursement.

During the course of the audit we reviewed documentation held by Willmott Dixon to support charges made, and discussed the above issues with the company's Financial Controller. In particular, our review focussed on specific aspects relating to the invoices, as directed by Council officers.

As this is an Advisory review, our work does not result in an Assurance Opinion. Additionally, due to the one-off nature of the review, we have not made recommendations for future actions for the Council to implement.

The audit was designed to assess the controls in place to manage the following objectives and risks:

Objective	To provide an efficient and effective responsive repairs service to Council housing stock in line with agreed contractual arrangements.
Risk	Housing repair costs charged by contractor do not accurately reflect work ordered and completed.

1.2 CONCLUSION

- Review of selected items of overhead costs has found that the majority of those examined (with the exception of supervisory costs - £2,105 in October 2011) could be supported by adequate documentation to show that the costs were either reasonably incurred and where applicable, had been invoiced by suppliers and sub-contractors.
- With regards to labour costs, there is evidence that Willmott Dixon, as a matter of course, charge for jobs that have been attended to by operatives, but not necessarily completed (to the required standard). Although the financial amounts for such charges for the individual items reviewed are generally low, such jobs will show as incomplete on Council records, but the costs will be included within calculations for overall numbers of jobs completed, and thus will help to inflate average job costs. In addition, such costs for all the jobs still shown as not completed are likely to amount to a considerable sum.
- Willmott Dixon state that labour costs would be incurred whether or not staff were actually working. The company explained that it would have been uneconomic to make staff redundant due to a tail off in jobs ordered, and the Council has accepted this point. Timesheet extracts for the final two months of the contract show that overall, one less member of staff (20) was used on the contract than was previously usual for full operation.
- However, it can be argued that by using between six and nine agency staff (out of the total of 20 staff, or 30%) at the end of the contract, Willmott Dixon were failing to ensure that the service was being provided in the most economic fashion (as expected by the Council under the open-book agreement). It would thus seem unreasonable for the Council to be expected to pay for the 'extra' agency costs. A total of £14,988 was charged by Willmott Dixon for sub-contract general operatives in October 2011.
- Throughout this review we have noted areas of fundamental disagreement between the Council and Willmott Dixon. Many of these relate to differing interpretations of contractual terms, dating back to 2007 but including many issues arising since that time. Such areas of disagreement issues include the achievement of best value, what the 'Period 13' payment made at the end of 2010/11 by the Council actually covered, and responsibilities for data transfer between the company's Vixen and the Council's Orchard operating systems. However, it was not within the scope of this audit to attempt to resolve such disagreements.

1.3 SCOPE OF THE REVIEW

To evaluate the adequacy of risk management and control within the system and the extent to which controls have been applied, with a view to providing an opinion. Control activities are put in place to ensure that risks to the achievement of the organisation's objectives are managed effectively. When planning the audit, the following controls for review and limitations were agreed:

Limitations to the scope of the audit:

- Our audit will be based on sample testing of specific Willmott Dixon invoices and associated costs as directed by Council staff and cannot give assurance as to the accuracy or otherwise of all other charges made by the contractor.
- The audit will not include an assessment of contractual terms or other such agreements that the Council and the contractor may have entered into during the term of the contract.
- We will undertake an assessment of the adequacy of aspects of the control framework and we will undertake limited testing to confirm its operation in practice.
- Our work does not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist.

The approach taken for this audit was a Risk-Based Audit.

2 ACTION PLAN – No 'High' or 'Medium' Risk Recommendations were raised as part of this review.

VAT

1. EXECUTIVE SUMMARY

1.1 INTRODUCTION

An audit of Taxation - VAT was undertaken as part of the approved internal audit periodic plan for 2011/12.

The Civica Financial Management System is used by the Council to manage its accounts; VAT rates have been input into the system and can be automatically selected when processing sales and purchase invoices. The input of purchase invoices and the majority of sales invoices are produced centrally in the Finance department by specific staff members who have received training on issues relating to the treatment of VAT. Training is delivered by an individual with considerable knowledge of VAT, and it is this same person who the Council would consult on any VAT related issues where further advice or assistance is needed. For matters such as large property transactions, VAT consultancy services would be procured, if required.

The preparation of VAT control account reconciliations and the monthly VAT returns has been delegated to a specific staff member within the Finance department. Procedures are in place to ensure that the information included within the returns is accurate prior to submission to HMRC. VAT returns are then uploaded onto the HMRC website once these have been confirmed as being accurate. The Council reclaims VAT from HMRC on a monthly basis and through review of the daily cashflow and bank statements, checks are undertaken to ensure that the correct amount has been received.

For the six month period of April 2011 until November 2011 a total of £1,051,221.18 had been reclaimed by the Council.

The audit was designed to assess the controls in place to manage the following objectives and risks:

Objective	To ensure that VAT is accounted for correctly and statutory requirements are adhered to.
Risks	<p>Staff members are not aware of the procedures and legislation governing identification, calculation and treatment of VAT.</p> <p>VAT accounting is incorrect and there is non-compliance with statutory requirements.</p> <p>VAT is incorrectly coded.</p> <p>VAT submissions are not accurately completed, reviewed and submitted in a timely manner.</p>

1.2 CONCLUSION

This is advisory work and therefore will not result in a formal assurance opinion being provided, and the review will not be a formal part of the Annual Internal Audit opinion. The principal method for obtaining the evidence which supports our recommendations and findings was to interview staff and to review supporting documentation.

The above conclusions feeding into the overall assurance level are based on the evidence obtained during the review. The key findings from this review are as follows:

Design of control framework

- Roles and responsibilities in relation to VAT have been defined and training has been provided to relevant members of staff.
- VAT codes have been pre-set into the Civica Financial Management System.
- Control account reconciliations are produced and reviewed in a timely manner at the end of the month prior to preparation and submission of the VAT returns.
- The VAT return is produced and reconciled back to the Financial Management System, the return is then reviewed by a senior member of staff.
- The cashflow and bank statements are reviewed to confirm that the correct amount of reclaimed VAT has been received by the Council.

Application of and compliance with control framework

- From a review of the reports produced detailing all transactions included on the VAT return we confirmed that relevant VAT rates had been applied.
- Relevant and supporting information is retained to support transactions and returns made.
- From a review of VAT returns submitted to HMRC for the period June to November 2011 we noted that in two instances (June and July), the return had been submitted to HMRC website prior to the independent review taking place.

1.3 SCOPE OF THE REVIEW

To evaluate the adequacy of risk management and control within the system and the extent to which controls have been applied, with a view to providing an opinion. Control activities are put in place to ensure that risks to the achievement of the organisation's objectives are managed effectively. When planning the audit, the following controls for review and limitations were agreed:

Control activities relied upon:

- Statutory requirements are adhered to.
- VAT is correctly coded.
- VAT returns are completed and checked prior to submission to HMRC.

Limitations to the scope of the audit:

- Our work does not provide absolute assurance that material error; loss or fraud does not exist.
- Testing will be completed on a sample basis only, based on transactions from the current financial year.
- We will not substantively re-perform reconciliations

The approach taken for this audit was a Risk-Based Audit.

1.4 RECOMMENDATIONS SUMMARY

The following tables highlight the number and categories of recommendations made. The Action Plan at Section 2 details the specific recommendations made as well as agreed management actions to implement them.

Recommendations made during this audit:

Our recommendations address the design and application of the control framework as follows:

	Priority		
	High	Medium	Low
Design of control framework	0	0	0
Application of control framework	0	0	1
Total	0	0	1

The recommendations address the risks within the scope of the audit as set out below:

Risk	Priority		
	High	Medium	Low
Staff are not aware of the procedures and legislation governing identification, calculation and treatment of VAT.	0	0	0
VAT accounting is incorrect and there is non-compliance with statutory requirements.	0	0	0
VAT is incorrectly coded.	0	0	0
VAT submissions are not accurately completed, reviewed and submitted in a timely manner.	0	0	1
Total	0	0	1

2 **ACTION PLAN** – No 'High' or 'Medium' Risk Recommendations were raised as part of this review.

SHELTERED ACCOMMODATION – TENANTS FUNDS (SPOT CHECKS)

1 EXECUTIVE SUMMARY

1.1 INTRODUCTION

An audit of Sheltered Housing – Tenants’ Funds was undertaken as part of the approved internal audit periodic plan for 2011/12.

The Council manages twelve sheltered housing schemes across the Borough which provide supported accommodation to elderly service users. Sheltered Housing service users have the benefit of an onsite Warden (employed by the Council) and emergency cover outside of office times. Each sheltered accommodation scheme operates a tenants’ fund which is used for funding social activities. The funds use income generated from tenant led events, donations and subscriptions.

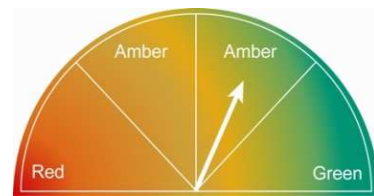
As Council employees, the Wardens should not become involved with the monies of the tenants or the tenancy scheme bank accounts. Instead, the scheme funds are managed by the scheme Treasurer, who is a resident of the sheltered scheme. However, whilst it is acknowledged that the tenancy funds solely belonged to the residents of the housing schemes, in managing the properties the Council has a responsibility to ensure controls are in place to ensure the monies of vulnerable adults are safeguarded appropriately.

The audit consisted of a series of unannounced visits to a sample of the sites during the year, including Barwell, Tom Eatough Court, Royal Court, Criterion Court and Clarendon House. Wardens and Treasurers were interviewed about the use of tenant monies within the tenant schemes, the storage of cash, maintaining receipts, banking arrangements and reconciliation of accounts.

The audit was designed to assess the controls in place to manage the following objectives and risks:

Objective	To ensure that all income and expenditure in respect of the Sheltered Housing schemes is recorded accurately and completely.
Risks	Failure to ensure monies collected from tenants is properly accounted for.

1.2 CONCLUSION



Taking account of the issues identified, the Council can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

However we have identified issues that, if not addressed, increase the likelihood of the risk materialising.

The above conclusions feeding into the overall assurance level are based on the evidence obtained during the review.

The key findings from this review are as follows:

Design of control framework

- Each sheltered accommodation scheme operates under its own rules and is outside the full control of the Council. This means that there is no unified or centrally approved method for managing Tenants' funds which has led to a diversity of approaches in this area.

Application of and compliance with control framework

- Although there is no central control framework, we have made a small number of recommendations for improvements which should be communicated to all schemes within Borough for implementation as appropriate to each individual set of circumstances.
- It should be clearly noted that there is no evidence or suggestion of any wrong-doing or mis-management of funds by the Wardens at the schemes visited.

1.3 SCOPE OF THE REVIEW

The objective of our audit was to evaluate the adequacy of risk management and control within the system and the extent to which controls have been applied, with a view to providing an opinion. Control activities are put in place to ensure that risks to the achievement of the organisation's objectives are managed effectively. When planning the audit, the following controls for review and limitations were agreed:

Control activities relied upon:

- All income and expenditure is monitored and any discrepancies are investigated.
- Outcomes are evidenced for all expenditure incurred.
- All payments from residents are receipted by the sheltered accommodation scheme.

Limitations to the scope of the audit:

- We will not actively seek to detect fraud or error.
- All testing will be carried out on a sample basis only, therefore absolute assurance cannot be provided.

The approach taken for this audit was Key Controls Testing.

1.4 RECOMMENDATIONS SUMMARY

The following tables highlight the number and categories of recommendations made. The Action Plan at Section 2 details the specific recommendations made as well as agreed management actions to implement them.

Recommendations made during this audit:

Our recommendations address the design and application of the control framework as follows:

	Priority		
	High	Medium	Low
Design of control framework	0	2	4
Application of control framework	0	0	0
Total	0	2	4

The recommendations address the risks within the scope of the audit as set out below:

Risk	Priority		
	High	Medium	Low
Failure to ensure monies collected from tenants is correctly receipted.	0	2	4
Total	0	2	4

2 ACTION PLAN

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
1	The tenants' bank account should be kept clearly separate from and in a different name to any Warden account, and the Warden be added as a signatory if necessary.	Medium	Y	We will ensure that tenants' funds are in the name of the tenants' group and not of any HBBC staff member.	April 2012	Clive Taylor OPS Manager

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
2	All expenditure from tenants' fund accounts should be supported by appropriate documentation (i.e. receipts), and this should be retained for at least twelve months, and ideally for up to three years to allow for proper check and reconciliation.	Medium	Y	This is already common practice, however we shall include this within the guidelines	June 2012	Clive Taylor OPS Manager

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REPORT NO

FINANCE AUDIT & PERFORMANCE COMMITTEE – 26 MARCH 2012

REPORT OF CHIEF EXECUTIVE

RE: PERFORMANCE MANAGEMENT FRAMEWORK

1. PURPOSE OF REPORT

- 1.1 To provide the Council's 3rd Qtr position on:
- Performance Indicators
 - Service Improvement Plans
 - Corporate Risks

2. RECOMMENDATION

That the Finance Audit and Performance Committee:

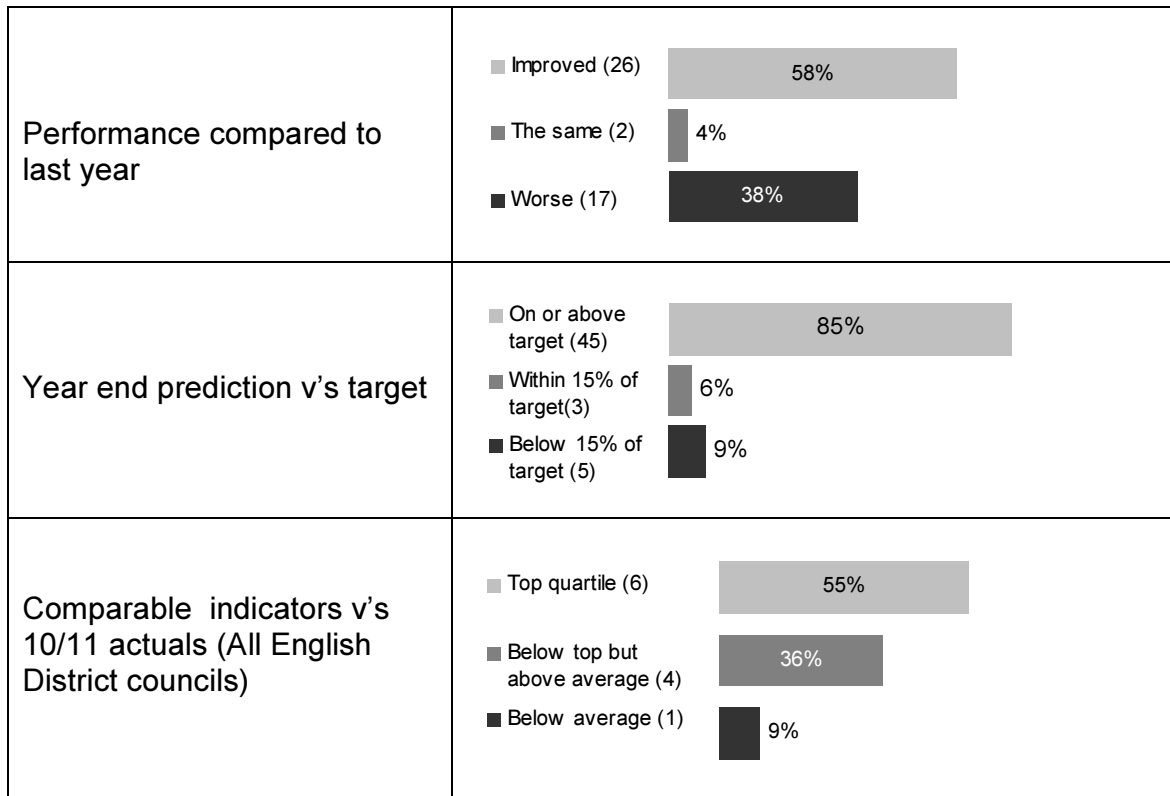
- (i) Note the Council's 3rd Qtr performance information for:
 - Indicators predicting not to meet target
 - Indicators predicting below average performance against current benchmarking data
- (ii) Note Service Improvement Plans that will/may not meet end target date (March 2012)
- (iii) Note Net Corporate Risks

3. BACKGROUND TO THE REPORT

- 3.1 The Council reports quarterly on progress against its Performance Management Framework and Strategic Risk Management.
- 3.2 This report considers current performance with regard to the Corporate Plan Strategic aims.

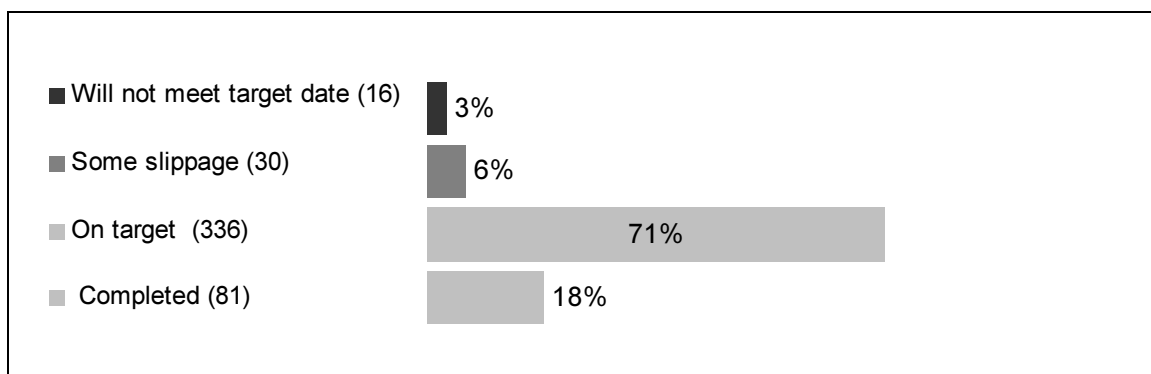
4. OVERALL SUMMARY

4.1 Performance Indicators: The 3rd Qtr (April to Dec 2011) position is:



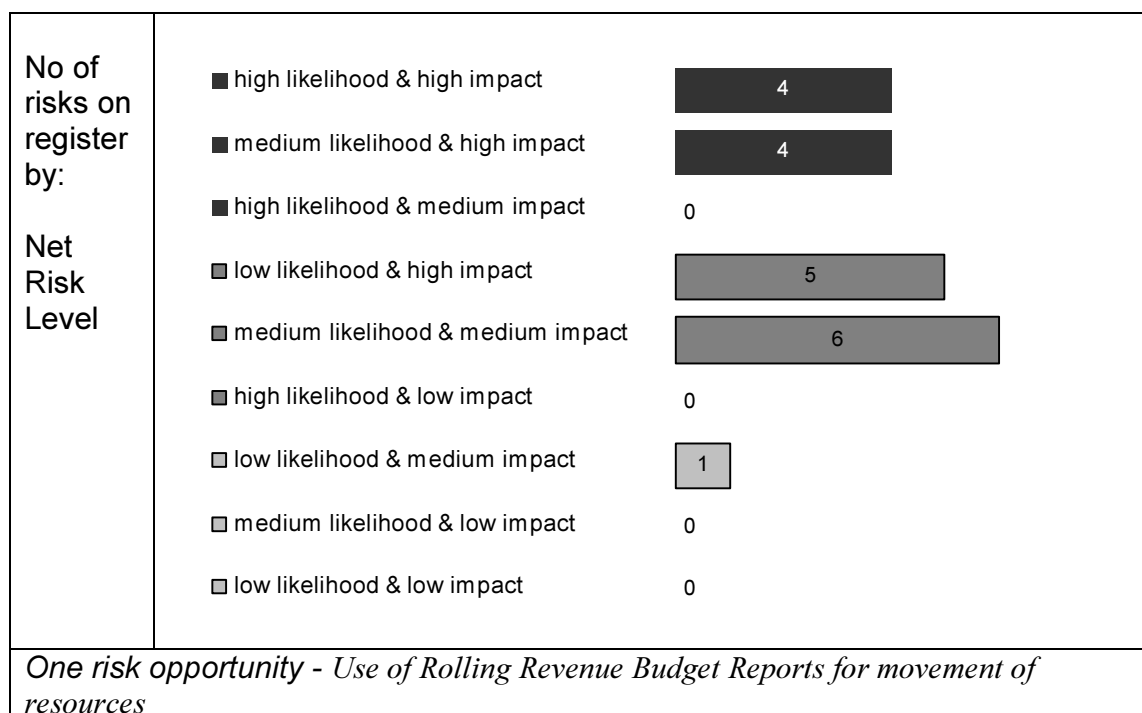
Details of Performance Indicator exceptions are provided at appendix 1

4.2 Service Improvement action plans: The 3rd Qtr position is:



Details of Service Improvement Plans exceptions are provided at appendix 2

4.3 Corporate Risks: The 3rd Qtr position is:



Details of all corporate risks are provided at appendix 3

5. Performance Indicators achieving high performance

5.1 Performance indicators achieving high levels of performance are detailed below:

Number	Narrative	Result
LHE20a	Percentage of reported Fly Tips Collected within 5 Days	100%
LIB070bi	% of enforcement complaints acknowledged within 3 days	100%
BV008	Percentage of Invoices Paid on Time	99.33%
LCD61	B.C.Full Plans determined and returned within 5 weeks or 2 months (extension of Time)	99.59%
NI157c	Processing of planning applications as measured against targets for other application types	99.15%
NI142	Percentage of vulnerable people who are supported to maintain independent living	99.00%
NI156	Number of households living in Temporary Accommodation	5

6. **DATA QUALITY MANAGEMENT**

- 6.1 The performance information provided is in compliance with the council's data quality management strategy:
"ensure that data is managed to the highest quality"

When providing performance information data owners agree that they are managing data quality in accordance with the Data Quality Management Policy. In addition, the Corporate Performance service provides a 'help desk' facility and scrutinise Performance Indicator outturn returns for compliance.

7. **FINANCIAL IMPLICATIONS [DB]**

None arising directly from this report

8. **LEGAL IMPLICATIONS [AB]**

None arising directly from this report

9. **CORPORATE PLAN IMPLICATIONS**

The report provides an update on the achievement of the Council's vision and revised Corporate Plan 2010 – 2015. The issues covered in this report relate to, and support the achievement of all the Council's Strategic Aims:

- Cleaner and greener neighbourhoods
- Thriving economy
- Safer and healthier borough
- Strong and distinctive communities
- Decent, well managed and affordable housing.

and values:

- Life quality and the environment within our community is further improved
- Improved effectiveness working in partnership at a competitive price
- Vulnerable people are safeguarded
- Equality and fair treatment for all

10. **CONSULTATION**

Each Service Manager has contributed information to the report and the performance outturn information is available on the Intranet via the TEN system

11. **RISK IMPLICATIONS**

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

The Strategic Risk Register identifying the significant risks for the council is considered alongside the reporting of performance and financial management.

12. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

Equality and Rural implications are considered as part of the implementation of the Corporate Plan. The Corporate Plan 2010-15 priorities are informed by a borough wide consultation exercise completed in summer 2009.

13. **CORPORATE IMPLICATIONS**

- None

14. **APPENDICIES**

Appendix 1 - Indicators below average performance or will not meet target

Appendix 2 – Service Improvement Plans showing slippage or will not meet end target date

Appendix 3 – Strategic Risks

Background papers:-

Contact Officer: Cal Bellavia ☎5795

Executive Member: Councillor Ms BM Witherford

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Appendix 1: Indicators predicting to miss target or to be below average performance

Green

Amber

Red

Ref	Name	Year end actual 2010/11	Outturn Dec 11/12	Dec 10/11	Yr End Est	11/12 target	All district quartile 10/11 actuals - source LG group	Polarity/frequency	Dec 11/12 (Row Comment)	Baseline
02 Cleaner & Greener Neighbourhoods - Business, Contract & Streetscene										
LGM1	% of Grounds Maintenance sites meeting the Quality criteria - KPI	77.28%	76.94%	77.36%	75.00%	75.00%	N/A	High - Monthly		15 Inspections carried out per month
03 Thriving Economy - Corporate Direction										
BV009	Percentage of Council Tax Collected	98.61%	87.71%	88.00%	98.60%	98.60%	N/A	High - Monthly	HBBC Cumulative Performance: 87.71% (2010/11 - 88.00% 0.29% Difference)HDC Cumulative Performance: 86.31% (2010/11 - 86.87% 0.56% Difference)NWLDC Cumulative Performance: 85.62% (2010/11 - 87.50% 1.88% Difference)	£48.4m (Increased from 48.3m)
BV010	Percentage of Non-domestic Rates Collected	98.47%	87.21%	88.63%	98.50%	98.50%	98.92%	High - Monthly	HBBC Cumulative Performance: 87.21% (2010/11: 88.63% - 1.42% Difference)HDC Cumulative Performance : 87.16% (2010/11: 89.33% - 2.17% Difference)NWLDC Cumulative Performance: 86.64% (2010/11: 87.04 - 0.4 % Difference)	£27.8m
BV078b	Speed of Processing: Change in Circumstances for HB/CTB Claims	8.7	11.6	9.4	8.7	8.7	7	Low - Monthly	HBBC Cumulative Performance: 11.57 Days. HDC Cumulative Performance: 13.54 Days. NWLDC Cumulative Performance: 26.84 Days. HBBC In Month Performance: 15.39 Days. HDC In Month Performance: 18.10 Days. NWLDC In Month Performance: 20.16 Days	7466 Caseload and 13,945 (Cum) COC's 1340 COC's processed in Month
NI181	Time taken to process Housing Benefit/ Council Tax Benefit new claims and change events - KPI	9.6	12	10.7	10	10	8	Low - Monthly	HBBC Cumulative Performance: 15.7 Days. HDC Cumulative Performance: 15.88 Days. NWLDC Cumulative Performance: 28.23 Days. HBBC In Month Performance: 15.70 Days. HDC In Month Performance: 21.09 Days. NWLDC In Month Performance: 22.30 Days.	3013 New Claims Processed and 13,945 Change of Circumstances Processed
04 Thriving Economy - Community Direction										
BV066a	Rent Collection and Arrears Recovery	98.16%	97.92%	97.60%	98.00%	98.80%	N/A	High - Quarterly	Due to financial climate, large volume of calls from tenants saying have been put on short time, but are still out of eligibility bracket for Housing Benefit. Also dept are behind with claims. Another contributing factor may be staff sickness and absence. Also significant reduced rent collection over Christmas.	£10.4m
BV066d	Rent Collection and Arrears Recovery - Evictions	0.17%	0.06%	0.03%	0.17%	0.17%	N/A	Low - Quarterly	2 tenants evicted over this period.	3,400
LCD62	B.C. Receipts sent out within 4 working days from deposit	97.59%	89.87%	97.63%	95.00%	95.00%	N/A	High - Monthly		337/375 - April - December
NI157a	Processing of planning applications as measured against targets for major application types - District spatial level	100.00%	84.21%	100.00%	90.00%	90.00%	78.00%	High - Monthly		16/19 - April - December
NI157b	Processing of planning applications as measured against targets for minor application types - District spatial level	94.39%	93.25%	96.98%	95.00%	95.00%	86.00%	High - Monthly		166/178 - April - December
NI151	Overall employment rate - KPI	81.60%	67.80%	78.60%	67.80%	80.00%	71.00%	High - Quarterly	Difficult to estimate year end figure in this uncertain economic climate	67,200 working age population (snapshot is from nomis - official labour market stats June 2010 - Jul 2011)

Appendix 1: Indicators predicting to miss target or to be below average performance

Green

Amber

Red

Ref	Name	Year end actual 2010/11	Outturn Dec 11/12	Dec 10/11	Yr End Est	11/12 target	All district quartile 10/11 actuals - source LG group	Polarity/frequency	Dec 11/12 (Row Comment)	Baseline
05 Safer & Healthier Borough - Community Direction										
LHE32a	% Licences issued in 30 days (excluding hackney carriage driver licenses)	95.50%	99.50%	100.00%	98.00%	98.00%	N/A	High - Quarterly		674 licences and permits issued in the first three quarters, 2011/12
LHE32b	% Hackney Carriage Driver Licences issued within 60 days	96.00%	96.00%	100.00%	96.00%	96.00%	N/A	High - Quarterly	41 licences issued this quarter	122 licences issued, 5 licences outside PI due to external 3rd Party background checks, hearings & DSA driving test certificate.
NI15	Serious violent crime rate	0.2	0.2	0.1	0.2	0.2	N/A	Low - Monthly		1,000
06 Strong & Distinctive Communities - Community Direction										
LHS212a	Average Time to Re-let Local Authority Housing (Sheltered Housing)	81	83	82	87	80	N/A	Low - Monthly	We have let two long standing bedsits this month which again has significantly effected our performance. Sheltered Housing still remains in low demand.	Number of voids 40 Number of days 3337
LHS212b	Average Time to Re-let Local Authority Housing (General Needs Housing)	16	18	16	16	16	N/A	Low - Monthly		Number of voids 158 Total number of days 2889
09 Continuous Organisational Improvement & Support - Corporate Direction										
BV016a	Percentage of Employees with a Disability	4.46%	4.15%	4.07%	4.00%	5.97%	N/A	High - Quarterly	Target based on top quartile 07/08; which was ambitious as indicator has always centred around 4.2% - 4.6% in previous years. Undertaking refreshed equalities survey; to encourage staff to declare a disability as low outturn may be due to 'under reporting' as often staff not aware of definition of a disability.	total employees = 421
BV017a	Ethnic minority representation in the workforce - employees	6.00%	2.90%	5.30%	3.00%	6.00%	N/A	High - Quarterly	Representation % has dropped due to the transfer from Willmot Dixon of 20 staff over to HBBC	total employees = 409
LCUS1a	85% of calls answered to be answered within 45 seconds'.	71.81%	64.22%	N/A	64.40%	85.00%	N/A	High - Monthly	Many factors affecting the performance of Customer Services including staff changes and training required. The face to face team now able to support the contact centre which helps the teams targets. We cContinue to try and reduce our lost calls.	YTD calls received: 114,016
LCUS3	Ensure an appropriate person will see the customer within 10 minutes	80.60%	80.80%	85.70%	78.20%	85.00%	N/A	High - Monthly	Statistics for face to face service now available following a three month breakdown in the system. During November the team have been training new staff which has impacted on our wait/serve time and calls answered targets. TAso one team members figures missing due to a system error.	estimated 19,200 customers per year. Actual 13,549 customers seen (No figures available for June, July or August 2011 and one team members figures in November 2011)
LCUS6c	Provide a courteous response to enquiries and sustain 85% customer satisfaction - Web services	43.72%	37.61%	N/A	38.08%	50.00%	N/A	High - Monthly	On going work with web editors to improve service	1130 customers chosen to give feedback via govmmetric

Appendix 2: Service Improvement Plans showing some signs of slippage

Outcome	Action	Progress
Accounts		
Continuous organisational improvement & support	Appropriate input is made to the Medium Term Financial Strategy to be completed by 30 June 2011	Draft now completed to be presented to members at Council 24 Feb 2012
	Implementation of IPF Asset Register	Live system now available and substantially complete and up to date, training for Asset Management w/c 16 Jan 2012
Business, Contract & Streetscene		
CP02 - Improve facilities in our parks and open spaces	Renew gym club lease on Clarendon Park to provide community facility - Due June 2011	Draft lease issued to club- awaiting response
CP03 - All parks are maintained to a high standard with 75% meeting the local quality standard by 2014	Change working practices to increase biodiversity and natural green space within HBBC managed sites - Due Sept 2011	This was piloted at the Cemetary with concerns raised by the public and councillors. The Cemetary is now being maintained in line with standards at other green spaces.
	Development of tree policy/strategy to ensure long term management of this resource - September 2011	National guidance changing which has delayed work.
CP04 - Reduce CO2 emissions in the borough	Reduce energy use at Parks pavilions - March 2012	Water temperature testing means may not be able to meet this target and make reductions
CP05 - Impact on the environment from service operations is reduced	Move to a new Operational HQ (if financially viable) - March 12	A preferred property has been identified by Council.
Corporate Services		
Continuous organisational improvement & support	11 - Review Occupational Health provision	Joint award to Health Management - county and city now signed up. HBBC has determined appropriate to join awaiting set up meeting.
Development services		
CP14 - Improve Earl Shilton and Barwell	Facilitate the delivery of the Earl Shilton and Barwell Sustainable Urban Extensions Area Action Plan ensuring the provision of accessible shops and health and sports facilities in line with the Core Strategy to provide employment opportunities within the urban extensions and enhancements to the existing settlement centres to attract new investment	The AAP programme is as follows: • Consultation on Submission Document - May / June 2012 • Submission to Secretary of State - August 2012 • Pre-examination Meeting October 2012 • Commencement of Examination November 2012 Quarter 3 The Programme is currently being monitored due to issues with highways / STW (updated 05/09/11)

Appendix 2: Service Improvement Plans showing some signs of slippage

Outcome	Action	Progress
Env Health		
CP04 - Reduce CO2 emissions in the borough	CO 2 emmissions from council operations are reduced through implementation of the Carbon Management plan (3/12)	Ability to meet target highly dependant on weather temperature and impact on gas use at H Leisure Centre. Poor performamce in 2010-11 affects ability to meet ongoing target required to acheive 20% by 2014. Q2 DECC performance report carried out against new reporting template. Due to high gas use actual Green House Gas equivalentents 0% change against 2009-10 despite 8% reduction in electricity use across the council buildings. Low energy lighting systems installed in Castle Court Sheltered Housing scheme funded through SALIX loan from LCC/RIEP. Oct Carbon Management Plan under review- meeting of Carbon Management Group to establish curent activities.
CP25 - Protect public health	Complete a programme of interventions in all food premises as determined by the Councils risk rating schemes and Environmental Health Service Delivery Plans (3/12)	Intervention target of 557 set for 2011/12.First Quarter achieved 95. Second Quarter cumulative total 204. Third quarter cumulative total 345.Likely to achieve low 90s by year end ,with high risk premises being prioritised for inspection.
Continuous organisational improvement & support	Ensure that policies and procedures are in place for the implementation of the Charities Act 2006.	Awaiting guidance from Central Government as to implementation date.
	Increase income from Pest Control Contracts by £3000	New commercial pest contracts are proving difficult to obtain. Approx £800 additional to date despite advertising. Trying schools again in new term plus businesses through Hinckley BID. Have not lost contracts on renewal. Q3 Total £2170 increase.
	Prepare a project plan for moving to Hinckley Hub (6/11)	Participation in coporate working group. Will develop plan when clearer. Moving date now back to Dec/Jan
CP25 - Protect public health	Introduce chargeable microchipping service for dogs increasing income and reducing stray dogs (6/11)	Q2 Scheme introduced and promoted through publicity in Borough Bulletin, Market Stalls, Leaflets, Tenant involvement days, Posters in Community Houses. 6 dogs chipped. Low take up due to high pentetration by charities and vets. Q3 Still available but little take up.
CP27 - Ensure people have healthier lifestyles	Pilot a Healthy Choices Award at takeaway businesses encouraging them to change receipes/cooking methods.(3/12)	Feasibility being evaluated .Q3 no real further progress ,other iniatives receiving priority.
	To promote and help at least two businesses achieve the Health and Well Being Award by 31st December 2011	Award under review following establishment of County Health and Well Being Board Q3 saw agreement on the setting up of a new Health and Well Being Award Steering Group with revamp of award.Little progress being made by one potential award premises depite encouragement from HIO.One further organisation identified and to be followed up.

Appendix 2: Service Improvement Plans showing some signs of slippage

Outcome	Action	Progress
Estates & Asset Mgmt		
CP04 - Reduce CO2 emissions in the borough	Reduce CO2 emissions within the Asset Management portfolio (2014)	Carbon Reduction of 2.8% against target of 7.8% - targeted reduction based on significant improvement to HLC plant to be funded by DCMS grant which was withdrawn. Also, significant increase in Degree days in comparison with recent years.
CP07 - Minimise environmental nuisances in the borough	Relocation of Council Depot Facility	Two potential options being considered Feedback obtained from County and Highways regarding both sites; further confirmation of feasibility required for Council owned site. Pre-application planning consultation meeting in mid May. Awaiting further direction from SLB. Feasibility study of two preferred sites (Limekilns and Former Crem. allocation) returned as unviable. Report on full option appraisals on all sites for consideration completion for November 2011 Potential Partnership options with LCC and recycling operations currently being explored. Detailed appraisal of four sites being undertaken with report due for decision by Council in December Proposal for new site supported in principle by Executive Initial negotiations taking place with land agents. Procurement Routes for Pre-Planning stages being progressed. Pre-planning reports commissioned.
CP13 - Improve Hinckley town centre	Relocation of Council Offices incorporating key Partners (1st quarter 2012)	First major Partner 'signed-up' in principle (Police) Awaiting decisions from Probation Service and Primary Health Trust (July 2011) Negotiations continue with County Relocation Working Group established Middle managers to agree workstation numbers Modification to draft layouts awaiting feedback Partners are jointly reviewing an alternative proposal leaving HBBC with two options to consider Police have now rejected the Hinckley Hub as a relocation option. LCC & LPT still in positive talks and showing strong commitment to the co-location project. Legal agreements being drawn up with a view to confirm agreements prior to 24th August Probation Services still considering their involvement in the scheme. Lease and License agreement still under negotiation. Council approved development of 41,000 sqft office. Contract anticipated to be signed end of October 2011 with development completion and occupation October 2012. Agreements to Lease to be signed October 14th 2011 with anticipated relocation date circa Dec 2012 Agreement to lease signed with MRP and Agreement to License has been signed by LCC. Discussions ongoing with Probation, Job Centre Plus, CAB and Swanswell. Work on site will comm

Appendix 2: Service Improvement Plans showing some signs of slippage

Outcome	Action	Progress
Hsg & Comm Safety		
CP18 - Ensure people are safer	Implement the "revised tiered approach" to ensure continued ASB delivery in terms of prevention, diversion and intervention (March 2012)	Quarter 1: The review has been delayed. MS part of the county working group. To implement following review outcome Quarter 2: Awaiting revisions from county Hall Quarter 3: Awaiting finalised version from county
CP21- Reduced offending and re-offending levels in the borough	Provide a positive diversionary project for young offenders and repeat offenders or those most at risk of offending (March 2012)	Quarter 1: Last chance project is no longer running. MS exploring other diversions Quarter 2: Ongoing through ABC process Quarter 3 : Completed PAYP funded targeted youth diversionary project in Earl Shilton and Barwell
CP30 - Support and educate individuals to improve skills and become volunteers	Continue to support Community Action Hinckley and Bosworth, and alignment with central government reform re localism agenda e.g. social enterprise model (March 2012)	Quarter 1 Successful submission for transition funds resulting in CAHB being awarded £47,500 transition funds for 2011/12. Development of a 3 year business plan to deliver against transition fund submission timescales and targets i.e. establishment of social enterprise organisation, and potential asset transfer of community house Quarter 2 Update: Ongoing support for CAHB in the evolving development of a Social Enterprise Model, and subsequently negotiated the revision of the 3 year business plan with LCC against which transition funds have been secured, enabling Quarters 1 and 2 funds to be drawn down by CAHB. Attendance and presentation of Deputy Chief Executive at VOICE (VCS) Forum on 20th October, outlining ongoing commitment and opportunities for VCS.
CP32 - Ensure that our services meet our customers' needs	Set up tenant scrutiny panels to ensure a user led housing service and increased tenant empowerment (March 2012)	Quarter 2 update: options report completed to go to Exec in October Quarter 3 update: Report went to Exec in October. Positive support being given by members on moving forward with tenant scrutiny.
CP38 - Improve the quality of residents homes	Review the Empty Property Strategy, Housing Renewal Policy and Enforcement Policy to improve the condition of private housing stock in the borough (March 2012)	Quarter 1: Ist Draft in place Quarter 2: Due to the re-tendering of HIA contract there may be a need to review deadline in relation to the Housing Renewal Policy
ICT		
Continuous organisational improvement & support	SA01_Uniform 11g [12/11]	[05/11] Not due to start until 10/11 [PL] [10/11] Have started initial discussions with Idox. The upgrade will be co-ordinated with BDC and OWBC in order to reduce expenditure and at present Idox are working towards end Nov. [PL] [11/11] Awaiting dates from Idox - do not expect the work to be completed by end Dec as planned. Actual deadline before it becomes critical is Feb 2012. [PL] [11/11] Dates have now been set for end Jan. [PL] [12/11] OWBC Uniform update complete 7/1/12. BDC being undertaken undertaken 15/1/12. HBBC scheduled for 28/1/12. [PL]
Procurement & Payments		
Continuous organisational improvement & support	Complete procurement of Internal Audit services by end January 2012	01 - Tenders issued - contract will be awarded early March. Slippage is due to change in procurement strategy, i.e. OJEU vs Framework.
Revs & Bens		
Continuous organisational improvement & support	Installation of efficiency version of Academy software (Partnership)- [March 2012]	To be installed August to September (but can only be installed once Ingres is at version 9.2). Ingres scheduled to be installed November 2011-The partnership will then determine whether appropriate to move to EV or wait until after annual billing
	Procurement for Partnership [March 2012]	* Confirm internal Auditors for 2011-2012-Internal auditors will be RSM Tenon * Virtual Mailroom (from June 2011, for completion December 2011) Likely completion of tender will be March 2012 NB Anglia Revenues Partnership are now leading on procurement so the timescale is no longer within the partnerships control.
	Review the security of the Partnerships Fraud Investigations Teams Storage (Primarily Tape Recordings)[December 2011]	To be completed by 31.12.11. We are currently using box files within a storage cupboard which also houses other documents. The new filing arrangement will offer restricted access and increased security Jan 2012-these still need to be purchased.

Appendix 2: Service Improvement Plans that will not meet target

Outcome	Action	Progress
Business, Contract & Streetscene		
CP02 - Improve facilities in our parks and open spaces	Improve standard of grounds maintenance at Waterside Park (once adopted) to an acceptable standard - due 6 months after adoption (March 2012)	Discussion with the Developer are still on-going to conclude adoption therefore it will be impossible to improve this site by March 2012. Target date will be adjusted once adoption confirmed
CP05 - Impact on the environment from service operations is reduced	Reduction in use of chemical herbicides and pesticides as part of horticultural operations - March 2012	Public reaction to biodiversity management in cemetery has meant no reduction in herbicide use.
CP17 - Value for money services are provided where economies of scale area chieved whenever possible, without reducing (and where possible enhancing) the delivery experience	develop central stores for PPE to increase corporate efficiency - Due March 2012	Not implemented due to lack of demand and capacity to deliver
CP38 - Improve the quality of residents homes	Review of the delivery of adaptations to social stock (joint working with other providers) - April 2012	No update on County-wide work.
Corporate Services		
CP08 - Maintain jobs, improve skills, increase wage levels	08a - Implement Apprenticeship scheme 16-18 year olds by April 2012	on hold - lack of funding
Env Health		
Continuous organisational improvement & support	Participate in Leicestershire Environmental Health Managers review of shared services to determine opportunities for shared services	Review headed by Leicester not progressing after DCX reviewed. Ongoing discussions for individual services e.g Dog Warden stray dog services . Q3 No further meetings or interest.
CP25 - Protect public health	Complete a programme of interventions in all health and safety premises as determined by the Councils risk rating schemes and Environmental Health Service Delivery Plan (3/12)	Intervention target for 2011/12, 478.First quarter achieved 40. Secound Quarter cumulative total 97 ,made up of inspections of high risk premises.Low risk premises now being issued with questionnaires to contribute to interventions for 3rd Quarter. Third Quarter cumulative total 203.Inspections,targeting high risk businesses, at 61% complete likely to be near complete at year end.Questionnaires,targetting low risk businesses only at 30% and unlikely to achieve target by year end.
	Participate in at least one joint initiative with other county borough/districts and Health and Safety Executive to promote an health and safety initiative using flexible warrants.(3/12)	Flexible warrants have yet to be signed off by HSE.HSE undergoing significant reorganisation and cut backs since Comprehensive Spending Review and it is not known whether Flexible Warrants is a priority at moment with HSE. Informed in Q3 by HSE that will not be conducting Flexible Warrents projects with Local Authorities due to lack of staff resourses and complications introduced with Fee For Fault scheme.

Appendix 2: Service Improvement Plans that will not meet target

Outcome	Action	Progress
Estates & Asset Mgmt		
CP16 - Maintain high levels of performance in comparison to similar authorities particularly for publicly determined priority services	Develop and populate CIPFA Asset Management Property Database (03/11 go live target date)	Delayed due to Capital Accounting procedures requiring CIPFA update. Feasibility for additional support/training from CIPFA being investigated. Database released to Assets September 2011. Core Data input completed in readiness for Audit in October. Internal Audit now complete and awaiting feedback. Further programme of work to be produced to enable full rollout and embedded use of the system (November 2011) Audit complete with the database now functional. Working group implimented to progress development of the system and usability for other service areas. (April 2012)
Procurement & Payments		
Continuous organisational improvement & support	Complete pilot for Goods Receipting by July 2011	01 - This has not been achieved on time due to capacity issues in the team (down by 50%) Resource now identified and new timescale for pilot to be completed is end February 2012
	Introduce Direct Debits as the preferred payments method for Sundry Debts by July 2011	01 - Civica have been on site and work is progressing well. 02 - Delays in programme are due to issues and delays from the bank. 03 -All of the testing is now complete. Mandates will be issued to industrial tenants with September invoices with the first DD run collecting for October. Will then be rolled out further.
	Support HR with review of Occupational Health service by June 2011	Awaiting meeting with alternative contractor.
	Undertake procurement of Virtual Mail Room Services for Shared Revs and Bens Service by November 2011	Now been led by ARP
Revs & Bens		
CP05 - Impact on the environment from service operations is reduced	Promote use of Electronic Documents - E Billing & E-citizen reduce the use of paper and printing [April 2012]	Now that HBBC have moved onto the same server as HDC and NWLDC Leigh Butler will be responsible for reviewing the 3 councils current stationery requirements witha view to employing an external company to pack and dispatch the majority of our external documents (virtual mailroom). The anticipated completion date of this project it August 2012 (It is in the 2012 onwards SIP) The e-Citizen upgrade is yet be installed due to other I.T priorities, it is anticipated that this will be looked at again within the 2012 SIP
CP10 - Provide help, advice and support for residents and businesses	The Hardship and Discretionary Rate Relief Policy are updated for the partnership and available on line. [March 2012]	It was originally planned that the BPR work for this would be done within the 2011/12 3rd/ 4th quarter, however due to other priorities such as increased workloads and changes in legisaltion (Deferral Scheme being re-introduced and SBRR being extended again) and time taken to support NWLDC and HDC it has been delayed. Work will hopefully begin dureing the 2012/13 2nd quarter. It is still the case that Discretionary Policies can only be aligned with members agreement from all 3 councils, which could prove difficult to reach a general consensus due to budgeting and individual councils priorities. It may be less difficult to align the qualifying criteria for the mandatory reliefs. Individual current policies are available on all 3 websites.
CP31 - Improve customer access to services	E-Citizen Update to Release 10 (October 2011)	Moving to release 7 & 8 this Wednesday (12 October 2011), however it is not until we are on release 10 that I believe the web-site meets the required standard, which we now anticipate won't be into the test system until mid November 2011. I am advised that the releases are extremely complex and the functionality will require vigorous testing before it can be signed off.

Appendix 3 Corporate Risks

Risk opportunity		
Risk	Last reviewed	Summary
S.21 - Use of Rolling Revenue Budget Reports for movement of resources	Jan 11/12	Opportunity still available, but longer term view taken (i.e. year plus), to address MTFS position within known future constraints

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High Likelihood and High Impact (9) ← Net risk level		
Risk	Last reviewed	Summary
S.04 - Damage to Reputation/adverse publicity	Jan 11/12	EHRC collaborative work with the Council via a Section 23 Agreement (as a formal assessment) soon to be completed. Joint publicity on this will be in terms of outcomes only. Secured 'Achieving' level for Equalities Framework. Net positive media coverage has been maintained
S.11 - Failure to successfully deliver the Medium Term Financial Strategy	Jan 11/12	The MTFS is currently being revised for approval by Council on 24th February 2012,. Before that as part of the process consultation will take place with budget managers, COB, SLB, Scrutiny,and Executive Members.
S.13 - Failure to Manage Partnership working :	Jan 11/12	Progress has been made on establishing a joint Community safety partnership with Blaby DC and a joint community safety plan has been adopted. Delivery Plans have now been developed and endorsed by the CSP. The LSP has reviewed its priorities for 2011/12 and agreed to focus on priority neighbourhoods and employment and skills development and oversee 5 key delivery partnerships. An evaluation review will take place by April 2012 of the success of the joint partnership
S.33 - MIRA RGF Fund	Jan 11/12	Since the announcement by the Government of the award of £19.4M for the delivery of infrastructure improvements linked to MIRA, a Joint Project Board has been established between HBBC, MIRA, Highway Agency and adjacent local authorities and WCC and LCC. An internal HBBC Project Board has also been established. These Boards will oversee the progress of delivery of the infrastructure works and manage the risks associated. To date, a formal offer letter has still not been received but this is anticipated February 2012. The key consideration for HBBC, who will be banker for the fund, will be to ensure the necessary legal agreements are in place to mitigate its risks on this major project.

Appendix 3 Corporate Risks

Medium Likelihood and High Impact (8) ← Net risk level		
Risk	Last reviewed	Summary
S.24 - Failure to reduce future possibility of over-spend on HRA Capital spend and ensure continuous improvement of housing maintenance partnership	Feb 11/12	In addition to previous updates, HBBC are currently awaiting a response from Willmott Dixon regarding a without prejudice final payment on the contract.
S.29 - Loss of contract for Supporting People funded services	Sep 11/12	Joint working at NWLDC to develop existing best practice within current service arrangements to ensure meet requirement standards for future tendering. Consideration of a joint control centre with NWLDC to position ourselves to bid for the single county contract for control centres... New additional mitigation plan added - undertake viability of all sheltered schemes to ensure they are fit for purpose
S.30 - Review by the Equalities Commission for Human Rights of disability issues	Jan 11/12	Section 23 Agreement work almost completed, within a much more positive and collaborative approach than originally proposed by EHRC now adopted by EHRC. Opportunity to comment on the EHRC Inquiry into Disability Harassment was taken and acknowledged. Opportunity available for further work/comment on this initiative.
S.34 - Safeguarding Children and Young People	Jan 11/12	New risk added 27 Jan 2012

Appendix 3 Corporate Risks

Low Likelihood and High Impact (6) ← Net risk level

Risk	Last reviewed	Summary
S.06 - Failure to implement the Town Centre Plan	Jan 11/12	The Atkins project was completed on time and on budget Sept 2010. Quarterly review meetings continue to monitor letting arrangements and building maintenance management and the delivery of planning obligations linked to the Atkins and new College buildings. It has been confirmed at January's Atkins Project Board meeting that the implementation of Section 111 Agreement requirements is on track. Residents parking is programmed for implementation in 2012 by LCC and outstanding claims issues with TIG are being pursued by Assets with the support of Legal Services. The Bus Station CPO Inquiry was concluded in November 2011 and confirmation has been received in January 2012 that the Inspectors Report has been submitted to PINS and confirmation is awaited for this to be considered by the Secretary of State. Subject to this decision being issued in the next few months, the Bus Station scheme remains on programme.
S.12 - Insufficient Business Continuity Management (incl Disaster recovery) arrangements	Jan 11/12	The review process is ongoing and no major issues have been identified.
S.16 - Failure to adhere to Health and Safety Legislation/ Regulations	Jan 11/12	The H&S Officer continues support to the depot to a minimum of 2 days per week and is progressing a review of corporate Health and Safety for the Council. Transfer of In House building services supported by consultant to develop new policies and procedures within corporate policy. H&S audits of other work areas are continuing along with BCM preparedness. Lone Worker policy refreshed and new system to be rolled out Q4
S.17 - A reduction in Benefit Subsidy as a result of error and/or poor performance impacting on Medium Term Financial Strategy	Sep 11/12	Because of the possible impact on the LA this risk will be continued to be monitored however our claim for 2009/10 was paid in full with no subsidy clawback. Auditors are currently reviewing our claim for 2010/11.
S.27 - Failure to deliver / ensure sustainability to My Place Project	Jan 11/12	A successful negotiated outcome has been achieved with the Bondsman to secure over £462K to complete the remedial works for the centre which will leave a net positive balance for ongoing improvements to the centre. Membership levels are continuing to increase - far outstripping the Business Plan forecast. The end of year budget position for the Club is forecast to be balanced. A joint Project Board between HBBC and HC4YP continues to meet on a quarterly basis to oversee and monitor the business plan for the centre. A HBBC Member representative has also been appointed to the HC4YP Board to oversee the Council's interests.

Appendix 3 Corporate Risks

Medium Likelihood and Medium Impact (5) ← Net risk level		
Risk	Last reviewed	Summary
S.01 - Failure to focus on priorities and initiatives	Jan 11/12	With the return of the same political Administration in May 2011, the priorities and initiatives remain largely the same, but with an increased emphasis on delivery: Hinckley Hub (2012/13), Bus Station development (2014), Argents Mead Enhancements (2012) and Residents' Car Parking. These have been reaffirmed in the first year of the Administration's term.
S.14 - Dealing with numerous Public Enquiries	Jan 11/12	Following discussions with DCLG and the Planning Minister, revised Methodology has now been developed for assessing the Councils' Five Year Land Supply requirements. This has resulted in an improved position from October 2011 and is forecast to exceed the Five Year Land Supply by April 2012, thereby enhancing the Councils' position at Public Inquiries against speculative major housing developments. No Inquiries are programmed between now and April 2012.
S.15 - Failure to successfully adopt and deliver the LDF leads to:	Jan 11/12	A review is underway of resource and capacity within the Planning Policy team to underpin the delivery of the LDF programme. Progress is now being made on moving forward with the transport modelling for the SUE's at Barwell and Earl Shilton. This is programmed to be complete by April 2012 which will allow progress to be made on the submission of the planning applications as well as the submission document for the AAP for Earl Shilton and Barwell. Joint HBBC, HCA and Developer Consortium Project Board meetings continue to monitor progress and delivery of work streams linked to the SUE applications and AAP.
S.19 - Failure to improve sickness absence	Jan 11/12	Rate at start of year was consistent with overall rate for 2010/11. By third quarter, a reduction on 2010/11 is predicted; but this will not be confirmed until end January. Issues continue to be addressed by the Chief Executive with relevant managers.
S.22 - Failure of County Council Support/ engagement for the Local Strategic Partnership	Jan 11/12	The LSP agreed at its Board meeting in December 2011 its revised membership and structure linked to new Strategic Commissioning arrangements with a focus on overseeing the work of key delivery groups including Town Centre Partnership, Community Safety Partnership, the LPG, the Employment and Skills Group and Health & Wellbeing Partnership.
S.25 - Failure to provide a fit for purpose Leisure Centre	Jan 11/12	Progress is currently being made on procuring specialist consultants to advise on costings and process for securing a replacement or refurbished new Leisure Centre. OJEU adverts were placed in December 2011. A decision on the preferred consultant will be made early February 2012 and a report is programmed for Executive by July 2012 on outcomes of exercise and recommendations for procuring contracts works. The Leisure Project Board comprising SLB reps and the Leader, will oversee progress of this project.

Low Likelihood and Medium Impact (3) ← Net risk level		
Risk	Last reviewed	Summary
S.20 - Non-compliance with Financial Regulations - Caused by: misunderstanding or non-application by officers	Jan 11/12	This risk was reduced to Net Amber in February 08 following a favorable Internal Audit report in respect of compliance with Financial Regulations. At the year end review Mar 09 it was considered the net likelihood of this risk occurring should be reduced to low facilitating 6-monthly review. This position remains unchanged as at Sept 09.
		The position at the end of March 2010 remains unchanged. No significant issues arose during the year. The position at 31 March 2011 remains unchanged.

FINANCE, AUDIT and PERFORMANCE 26 MARCH 2012

REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)

RE: COMMERCIAL ESTATES REVIEW UPDATE



Hinckley & Bosworth
Borough Council

A Borough to be proud of

1. PURPOSE OF REPORT

To provide an update on performance of the Council's Commercial Estate.

2. RECOMMENDATION

That the report is noted.

3. BACKGROUND TO THE REPORT

The Commercial Estate Review Report has been produced to update Finance, Audit and Performance Committee on the position of the Authority's commercial portfolio in relation to prevailing economic conditions.

Since the last report, two new Council assets namely The Atkins Building and The Greenfields Business Park have become operational with good occupancy figures achieved (76% and 100% respectively).

The Atkins Building has been successful since its opening with only part of the top floor, (Building 2) and the basement areas now void. A larger tenant (2OC) has taken occupation of Building 1B top floor, whilst all serviced offices continue to run at the 100% let level with a waiting list having been established.

Creative Hinckley, a not for profit organisation consisting of a collective of local arts and creative industries practitioners are now well established within the building. The Creative Hinckley Gallery has hosted numerous exhibitions, whilst the studios are home to both innovative and growing creative enterprises.

Greenfields provides an impressive sustainable element to the estate, with 18 units of varying sizes. The estate is 100% let with a waiting list building up.

Occupancy for the wider industrial estate has been high, but it has been blighted by outgoing leaving and the time taken to replace these. This has been particularly apparent at Merrylees and Sunnyside Park Industrial Estates.

CURRENT STOCK

The commercial estate consists of 112 units (industrial, office, retail and plots of land) and the Atkins Building.

The list of the estate is as follows:

- Sketchley Meadows Ind Est (25 units)
- Hinckley Business Park (14 units)
- Sunnyside Park (11 units)
- Merrylees Industrial Estate (16 units)
- Retail units at Castle Street/Church Walk (3 units)
- Retail units at Atkins Way, Burbage (2 units)
- Plots of land at Sketchley, HBP, Market Bosworth and Harrowbrook.(20 plots)
- Miscellaneous – (3 units)

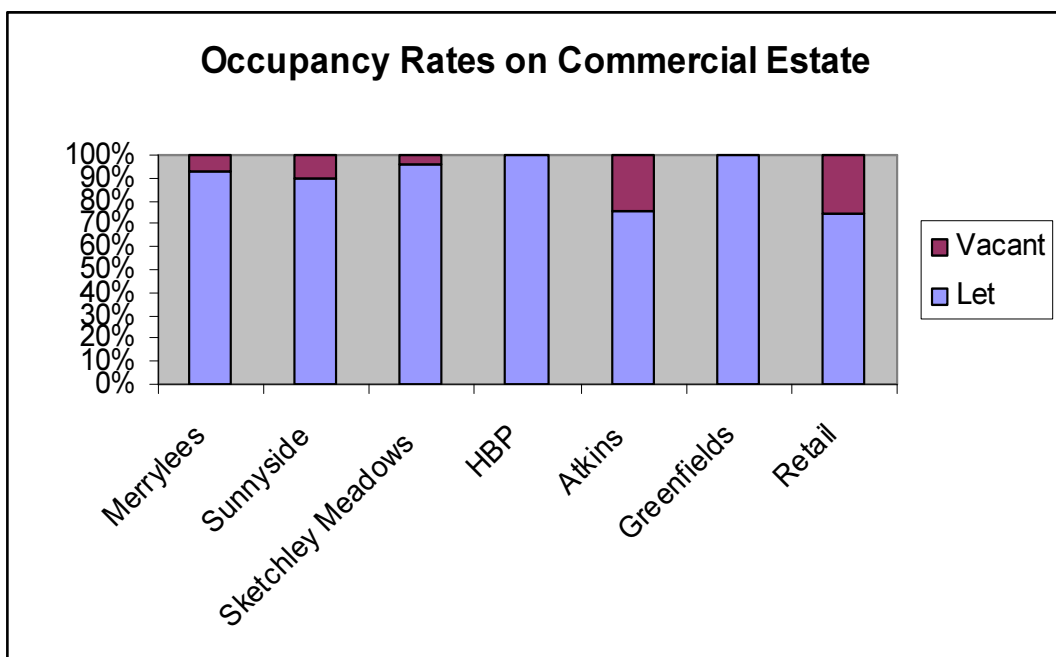
- Atkins Building (25 offices/sections)
- Greenfields Business Park (18 units)

The total rent roll for 2011/12 is projected to be the following:

• Industrial, land, retail and offices	£529,000
• Greenfields	£187,830
• Atkins Building	£188,426
Total	£885,256

With this projected to rise too £956,000 in 2012/13

Current highlights in terms of occupancy include Hinckley Business Park, retail units/offices and Greenfields which are at 100%. The Atkins Building occupancy continues to be built up accordingly.



CHURN AT INDUSTRIAL ESTATES

The leases in operation within the commercial estate encourage flexibility. They are operated on a 3 year basis, with a 3 month notice period for tenants wishing to vacate.

The small nature of the businesses and units added to the flexibility in the leases creates a churn of tenants.

In 2011/12 the following tenants have vacated units situated within the estate:

- Unit B Merrylees – Rent £8,000 per annum
- Unit 4 Merrylees – Rent £3,750 per annum
- Unit 6 Merrylees – Rent £3,750 per annum
- Unit 2 Sunnyside Park – Rent £5,500 per annum
- Unit 9 Sunnyside Park – Rent £5,500 per annum
- Unit 30 Sketchley Meadows – Rent £4,250 per annum
- Unit 15 Hinckley Business Park – Rent £11,250 per annum
- Unit 25 Hinckley Business Park – Rent £3,000 per annum
- Unit 16 Sketchley Meadows – Rent £10,000 per annum
- Unit 17 Hinckley Business Park – Rent £15,000 per annum

Of this list, the units which remain vacant to date are Unit B Merrylees (Rental £8,000), Unit 16 Sketchley Meadows (Rental £10,000) as well as Unit 3 Sunnyside (Rental £5,500 per unit)

ATKINS BUILDING

The Atkins Building is currently experiencing lettings at 76%. The areas of the building that are currently not let on a permanent basis include the basement Education Room and Partridge Suite (circa 4,500 square feet in total) and open plan office space in Building 2 totaling circa 3,200 square feet.

With the building currently being let at 76% and producing a projected rental income for 2011/12 of circa £188,000 a Net Yield of 5% will be produced which with increased rents in 2012/13 will rise to a yield of 6%.

The yield has been calculated by utilising the income, costs and market value figures. At the financial year ending 31/3/11 the value for the property was £1.81 million. Income (rent and service charge) is expected to reach £188,426 2011/12 whilst costs will be in the region of £100,000 (majority recouped through service charge)

The Net Yield is then calculated by:

$((\text{Income} - \text{costs})/\text{market value}) \times 100$

$((£188,426 - £100,000)/£1,810,000) \times 100 = 5\% \text{ 2011/12}$

$((£225,000 - £110,000)/£1,810,000) \times 100 = 6\% \text{ 2012/13}$

The office space is being marketed by Wards Surveyors, Office Broker and Flexi Offices whilst the basement rooms are marketed via HBBC. The Education Room although not having any long term tenants, has been successful in hosting various events such as the Hinckley beer festival (£1,000 rental fee charged) and a tie up with North Warwickshire and Hinckley College has been achieved for 2 days a week over a 32 week period. This amounts to £3,200 in rental charges. The Partridge Suite has and continues to have various meetings within the room with events also being arranged with the café.

GREENFIELDS BUSINESS PARK

Greenfields Business Park, which opened in October 2010 has proved to be a popular estate in the current depressed market and is currently 100% let. The tenant mix within the estate is strong with new and existing businesses represented.

With the estate currently being let at 100% and producing a projected rental income for 2011/1 of circa £187,000. The Net Yield is 5% which is expected to be replicated in 2012/13.

This has been calculated by using the income, costs and market value figures. The market value for the property valued in 06/07 was £4 million. Rents are expected to reach £187,830 2011/12 whilst costs will be in the region of £7,500.

The Net Yield is then calculated by:

$((\text{Income} - \text{costs})/\text{market value}) \times 100$

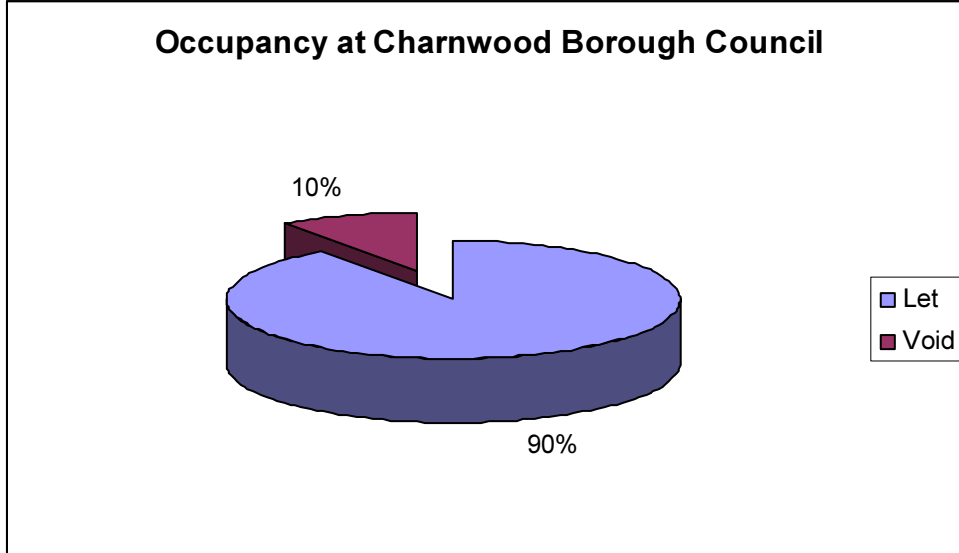
$((£187,830 - £7,500)/£4,000,000) \times 100 = 5\% \text{ 2011/12}$

$((£210,000 - £15,000)/£4,000,000) \times 100 = 5\% \text{ 2012/13}$

BENCHMARKING WITH OTHER LOCAL AUTHORITY ESTATES

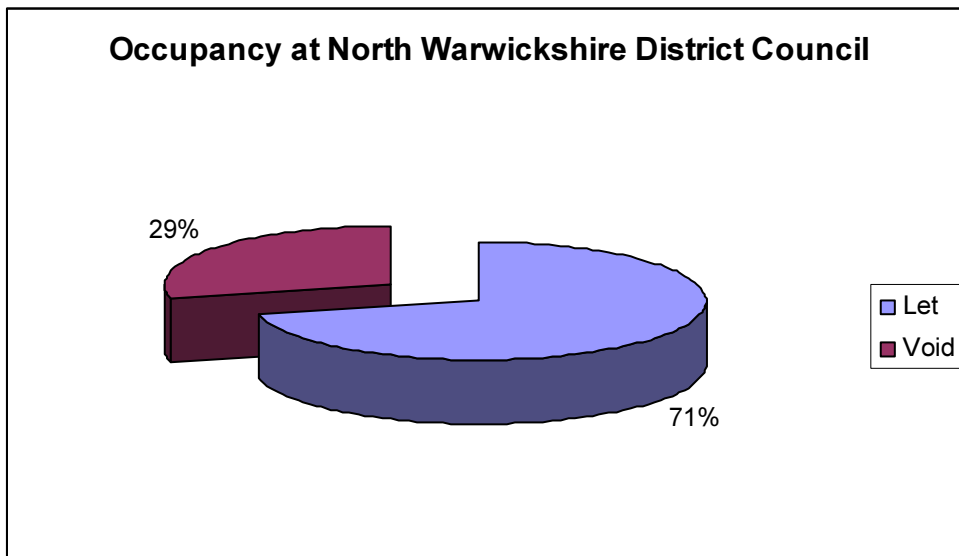
CHARNWOOD BOROUGH COUNCIL

The Charnwood Borough Council portfolio consists of 20 industrial units, numerous yards and 2 business centres. All areas are performing well with the business centres being particularly strong.



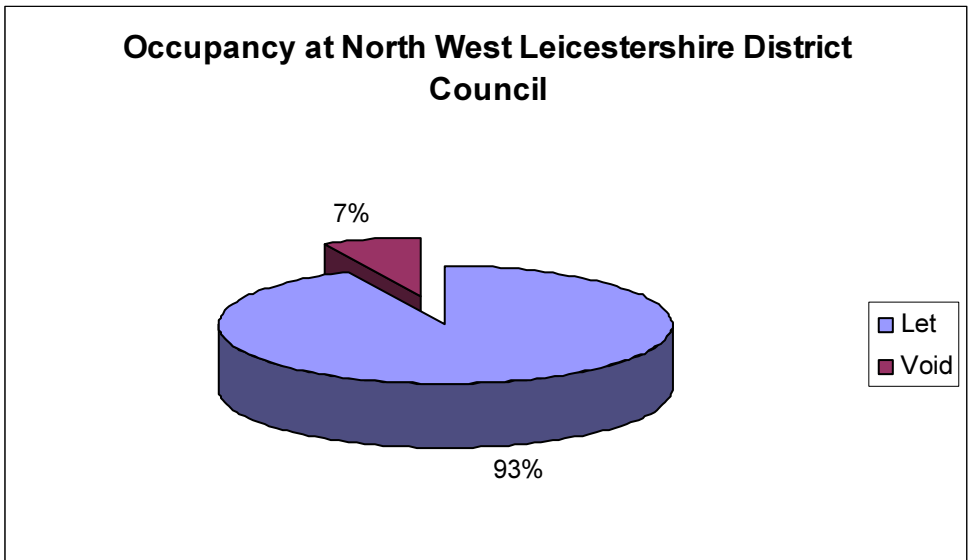
NORTH WARWICKSHIRE DISTRICT COUNCIL

North Warwickshire District Council operates a portfolio predominantly consisting of a mixture of retail and industrial units. The retail element of the estate is performing above expectations with a near 100% in lettings whilst the industrial units are performing below average.



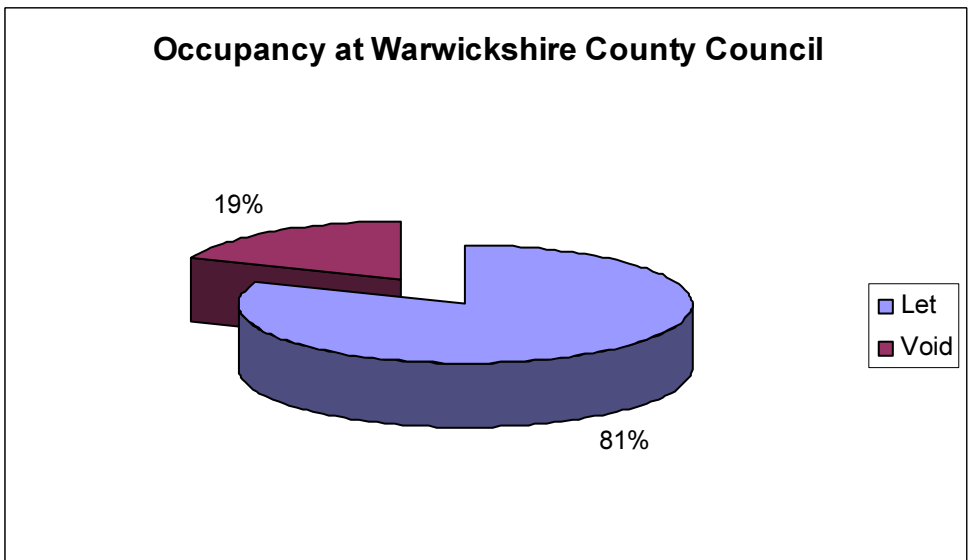
NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

The portfolio at North West Leicestershire is of similar size to that run by Hinckley & Bosworth BC. It features only 26 industrial units and is therefore weighted more heavily towards office space.



WARWICKSHIRE COUNTY COUNCIL

The portfolio at Warwickshire County Council consists of mixture of business centre's and industrial units.



FUTURE PERFORMANCE

Given the economic downturn experienced since 2008, the commercial estate occupancy rates in general have held up well.

As reported, there has been a high frequency of churn within the estate and a period of time required to re-let these but on the whole there has not been widespread movement.

Whilst our portfolio is now sufficiently broad providing fit for purpose starter business accommodation for a variety of business uses it should be noted that this has been achieved through continued investment in the buildings and associated infrastructure. Targeted maintenance and improvements to the existing stock have created desirable and affordable accommodation, whilst in recent years the aim has been to improve the quality on offer to help in lifting the number of employment opportunities available in the area. It is therefore key to remain focused on maintaining and improving the portfolio, with unique accommodation offered for high quality business opportunities. Maintenance and

improvement schemes will be required to maintain our current performance, with The Atkins Building high on the priority list.

4. **FINANCIAL IMPLICATIONS (DB)**

There are no financial implications arising directly from the report as it is for information.

5. **LEGAL IMPLICATIONS (AB)**

None raised by this report as it is for noting only

6. **CORPORATE PLAN IMPLICATIONS**

Nothing arising directly from this report.

7. **CONSULTATION**

No groups have been consulted in formulating this report.

8. **RISK IMPLICATIONS**

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant Risks		
Risk Description	Mitigating actions	Owner
Prolonged growth within the UK economy fails to materialise, leading to the movement of tenants out of the estate.	Marketing of the units has become more widespread with coverage being given by Prospect Leicester and local agents, helping to attract a broader market.	SC

9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

Ensuring services are accessible to all

The Councils commercial property is available throughout the Borough and is marketed by various mediums (from To Let boards through to web based materials) allowing access to the groups that require them.

10. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications

- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

Contact Officer: Shaun Curtis Ext 5742
Executive Member: Cllr Keith Lynch

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FINANCE AUDIT & PERFORMANCE SELECT COMMITTEE

REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)

RE: SUNDRY DEBTS POSITION



Hinckley & Bosworth
Borough Council

A Borough to be proud of

1. PURPOSE OF REPORT

To inform members of Sundry Debts performance.

2. RECOMMENDATION

The Finance Audit and Performance Select Committee note the current position.

3. BACKGROUND TO THE REPORT

Sundry Debts was included within the Internal Audit Block Report presented to Finance Audit and Performance Select Committee in December 2011, at which members requested further information regarding level of outstanding debt and recovery procedures.

The Sundry Debts function raises invoices to cover a wide range of fees due to the Council. These include Industrial Rents, premise licences, market stall rents, site inspection fees, recycling bin rental, repayment of bonds / homelessness prevention loans, solo alarm rental and many more. Many invoices are issued on a periodical basis (annually, quarterly, monthly etc), whilst some are for one-off charges.

Several departments raise their own invoices, which are then produced, issued and monitored by the Sundry Debts section. The recovery action is also carried out by the Debtors section, including the issuing of overdue reminders, 2nd reminder letters and County Court action if necessary. However, each case is managed and progressed on a case by case basis, considering the nature of the debt, the debtor's ability to repay and likely enforcement costs etc.

When a County Court Judgement is in place, we are then able to use a variety of enforcement methods. The most common are a Warrant of Execution (bailiff), an Attachment of Earnings Order or a Charging Order (registering a charge against property owned by the debtor). There are fees involved in progressing with this type of action, which further illustrates why each case is assessed on an individual basis. However, it should also be noted that these fees, along with solicitor's fees and interest are added to the debt outstanding and will be recouped if and when the debt is repaid in full.

During 2011, 9447 invoices were raised with a total value of £6,228,796.

As of end February 2012, there were 9438 separate Debtor accounts with 601 of these accounts showing an outstanding balance. The total outstanding balance at that time was £810,922 and this is broken down by age of debt below:

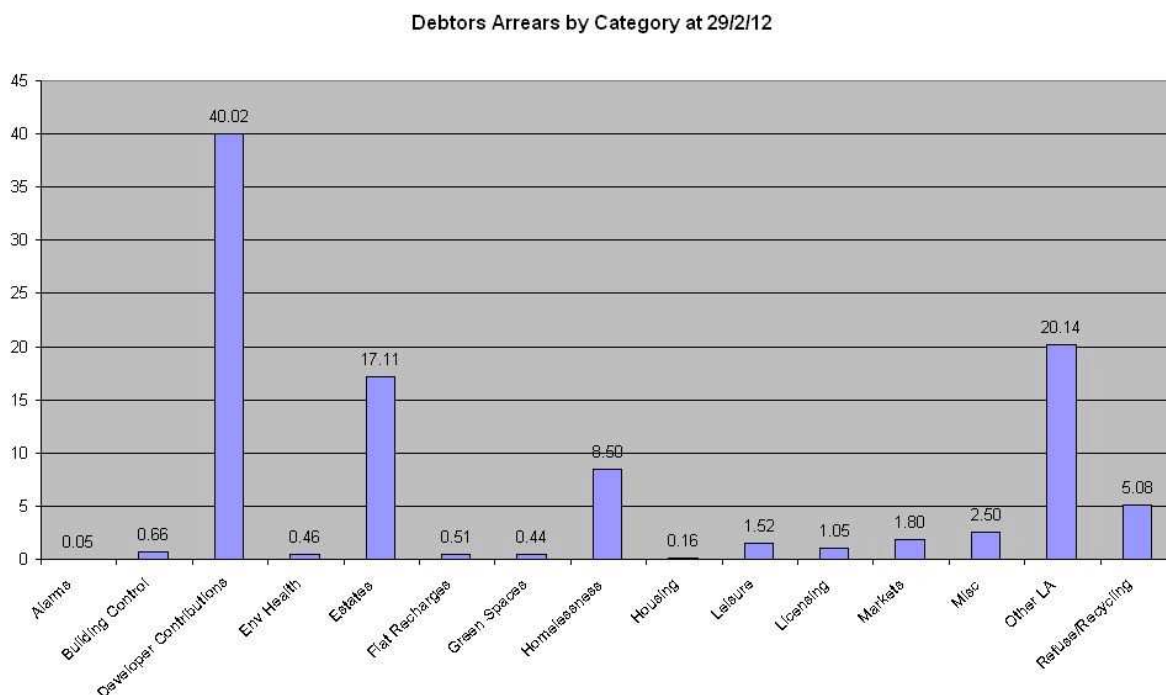
Not Yet Due	<30 Days	30 – 59 Days	60 – 89 Days	90 – 119 Days	>120 Days
£68,378	£440,055	£16,136	£26,741	£10,793	£248,819

NB: Further information regarding the >120 days debt will be provided verbally at the meeting

This outstanding debt covers a variety of types of debt including (but not limited to):

- Industrial Rent;
- Building Control Fees;
- Homelessness Prevention Bonds;
- Sports Hall Hire;
- Recharges to other Local Authorities;

A breakdown of the type of debt is shown below as a percentage of the total outstanding.



4. FINANCIAL IMPLICATIONS (DB)

There are none arising directly from this report.

5. LEGAL IMPLICATIONS (AB)

None raised directly by this report as it is for noting only.

6. CORPORATE PLAN IMPLICATIONS

Sundry Debts contributes to delivery of all of the Corporate Plan.

7. CONSULTATION

None.

8. RISK IMPLICATIONS

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Failure to recover debt owed to the Council	Robust recovery methods and monitoring.	Julie Kenny

9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

Any future reviews of the Debt Recovery Strategy will be impact assessed to understand any impacts on our community.

10. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

Background papers: Civica Reports

Contact Officer: Julie Kenny, Ext 5985
 Executive Member: Councillor Keith Lynch

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WARDS AFFECTED: ALL WARDS

1. PURPOSE OF REPORT

To inform members of the revenue and capital outturn at the end of the third quarter 2011/12

2. RECOMMENDATION

That the Select Committee notes the report

3. BACKGROUND TO THE REPORT

Attached to this report are detailed schedules showing a comparison of actual and budgeted income and expenditure for the quarter ended 31 December 2011.

General Fund

When the budget was approved by Council in February 2011 it was anticipated that £202,960 would be taken from balances and £400,000 taken from Reserves. Since that date £120,279 of supplementary budgets and adjustments for known underspends have been approved (£128,720 of which relates to carry forwards of budget from 2010/11 approved by Council on 28 June 2011 due to expenditure in that year being unavoidably delayed and £58,730 will be financed from reserves). Provision was made in the budget for a Pay Award and incremental advancement of employees in 2011/12, neither of these events occurred and this has resulted in a saving of £226,310. Other estimated savings totalling £1,159,000 plus New Homes Bonus of £350,000 have been identified and the major items are detailed below. It is suggested that £670,000 of the saving be transferred to reserves to meet future specific expenditure needs and £204,000 of the projected amount to be taken from reserves not be used which would leave £581,000 to be transferred to General Balances.

Major variations (+ve = saving –ve, = additional cost)	£'000
Salary Savings	313
Additional Recovery of Benefit overpayments	185
Recycling – deferment of food waste scheme and additional Income from bin rental	170
Reduced cost of Borough Election	28
Redundancy provision not required	40
Additional Income for Groundcare	37
Building Control income higher than expected	37
Car Parks additional income	46

Additional Planning Fee Income	50
Reduced costs in Development Control	40
Barwell and Earl Shilton SUE project expenditure Now deferred to 2012/13 (funded from LDF Reserve)	195
Rental Income from Florence House	40
ICT Support – various savings	32
Ill Health Retirement Insurance	27

Capital

Variations in the Capital Programme mainly result from timing issues in that expenditure is not being incurred when it was anticipated in the phased budget. At the present time it is not anticipated that there will be a significant variation at outturn except in the case of the work at Richmond Park which is awaiting the outcome of a grant application to the Football Association before proceeding and it is unlikely the work will commence before the spring of 2012 and Burbage Common where work has been rescheduled and the expenditure carried forward to 2012/13 in both cases.

Housing Revenue Account

At the present time it is anticipated that the HRA outturn deficit will be £73,000 as against the latest approved budget of £139,000. This reflects a net underspend of £66,000. Details of the variations are included on the attached schedule

4. **FINANCIAL IMPLICATIONS [DB]**

There are none arising directly from the report

5. **LEGAL IMPLICATIONS [AB]**

There are none arising directly from the report

6. **CORPORATE PLAN IMPLICATIONS**

None

7. **CONSULTATION**

None

8. **RISK IMPLICATIONS**

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with

this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
None		

9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

There are none arising from the report

10. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

Background papers: Civica Authority Financials reports

Contact Officer: David Bunker – Accountancy Manager –ext 5609

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Hinckley & Bosworth Borough Council

Monthly Outturn Reports

For the period 1 April to 31st December 2011

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December 2011 Budget Monitoring Summary 2011/12

Service	Budget as per Feb 11 budget Book	Supplementary		Budget per Monitoring Report	Estimated Outturn Variations	Estimated Outturn	
		Budgets/virements approved to date	Latest Budget used for Monitoring ledger				
Central Services	3,083,350	-8,231	3,075,119	-1,360,020	1,715,099	-124,000	2,951,119
Leisure & Environment	6,540,290	-24,015	6,516,275	-1,456,220	5,060,055	-268,000	6,248,275
Housing (GF)	1,319,890	-3,110	1,316,780	-288,800	1,027,980	-222,000	1,094,780
Planning	1,219,680	111,587	1,331,267	-999,280	331,987	-331,000	1,000,267
Direct Services Organisation	54,200	-17,850	36,350	-102,790	-66,440	-37,000	-650
Support Services	100,470	61,898	162,368	4,207,110	4,369,478	-99,000	63,368
Estimated Salary Savings	0	0	0	0	0	-340,014	-340,014
Increments and Pay award budget adj	0	0	0	0	0	0	0
Corporate Savings recovered above	-175,000	0	-175,000	0	-175,000	175,000	0
New Homes Bonus Parish allocations	0	0	0	0	0	87,440	87,440
TOTAL SERVICE EXPENDITURE	12,142,880	120,279	12,263,159	0	12,263,159	-1,158,574	11,104,585
Special Expenses	-531,080	0	-531,080		-531,080		-531,080
Capital Accounting	-1,133,060	0	-1,133,060		-1,133,060	80,000	-1,053,060
External Interest - Net	52,010	0	52,010		52,010	22,000	74,010
FRS 17 adjustment	-285,280	0	-285,280		-285,280	0	-285,280
Transfer to Pension Reserve	115,470	0	115,470		115,470	0	115,470
Estimated carry forward			0		0	104,000	104,000
Transfer to Reserves	133,000	0	133,000		133,000	566,500	699,500
Use of Reserves	-563,000	-58,730	-621,730		-621,730	204,000	-417,730
BUDGET REQUIREMENT	9,930,940	61,549	9,992,489	0	9,992,489	-182,074	9,810,415
Financing							
Council Tax	3,584,333		3,584,333		3,584,333		3,584,333
Council Tax Freeze Grant	105,260		105,260		105,260		105,260
Revenue Support Grant	1,410,200		1,410,200		1,410,200		1,410,200
National Non-Domestic Rate	4,562,237		4,562,237		4,562,237		4,562,237
New Homes Bonus	0		0		0	349,762	349,762
Collection Fund Surplus	15,000		15,000		15,000		15,000
TOTAL RESOURCES	9,677,030	0	9,677,030	0	9,677,030	349,762	10,026,792
							0
Movement in General Fund Balances	-253,910	-61,549	-315,459		-315,459	531,836	216,377
Special Expenses							
Expenditure	531,080	0	531,080		531,080	0	531,080
Council Tax Income	612,030		612,030		612,030		612,030
Movement in Special Expenses Balances	80,950	0	80,950	0	80,950	0	80,950
Special Expenses to Reserves	30,000		30,000		30,000		30,000
Special Expenses mvt in Balances	50,950	0	50,950		50,950		50,950
Total Movement in Balances	-202,960	-61,549	-264,509	0	-264,509	531,836	267,327
Balance at 1 April 2011 Council Feb 11	1,746,000	0	1,746,000		1,746,000		1,746,000
Year 10/11 underspend	0	187,000	187,000		187,000		187,000
Revised Balance 1st April 2011	1,746,000	187,000	1,933,000	0	1,933,000	0	1,933,000
Balance at 31 March 2012	1,543,040	-61,549	1,668,491		1,668,491	531,836	2,200,327
NBR	10,462,020	61,549	10,523,569	0	10,523,569	-531,836	10,341,495

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General Fund Service Area 2011/12 Monthly Outturn to 31/12/11

Level 5			Estimate to Date	Actual to Date	Variance to Date	Timing Differences	Variance excluding timing Differences	Est 2011/12	Forecast Outturn	Forecast Variation to Year End	REF
as45	Central Services	Corporate Management	360,709	263,872	96,837	78,000	18,837	672,317	617,317	55,000	1.1
as40		Corporate Management (Civic)	35,797	23,556	12,241	3,000	9,241	46,650	46,650		1.2
ag35		Council Tax Benefit	1,504,668	1,421,119	83,549	80,000	3,549	86,200	72,200	14,000	1.3
as75		Council Tax / NNDR	319,871	169,378	150,493	134,000	16,493	332,730	320,730	12,000	1.4
as90		Emergency Planning	30,462	26,534	3,928		3,928	39,890	34,890	5,000	1.5
as65		General Grants	103,131	93,880	9,251	10,000	-749	276,560	276,560		
as70		Local Land Charges	3,097	3,636	-539		-539	9,660	9,660		
as60		Register and Borough Elections	230,874	196,607	34,267		34,267	251,092	213,092	38,000	1.6
	Central Services		2,588,609	2,198,582	390,027	305,000	85,027	1,715,099	1,591,099	124,000	
cs04	Direct Services Organisation	DSO Grounds Maintenance	-46,062	-71,782	25,720	3,000	22,720	-66,440	-103,440	37,000	2.1
cs05		DSO Housing Repairs	19,624	189,194	-169,570	-298,000	128,430	0	0		2.2
	Direct Services Organisation		-26,438	117,412	-143,850	-295,000	151,150	-66,440	-103,440	37,000	
ag40	Housing (Gen Fund)	Benefits Fraud	-18,478	-64,627	46,149	36,000	10,149	-22,450	-22,450		3.1
ag50		Contribution to Housing Rev Ac	15,601	15,600	1		1	20,800	20,800		
ag20		Forest Road Garages	-3,825	-4,231	406		406	-5,100	-5,100		
ag55		Homelessness	112,525	-13,222	125,747	102,000	23,747	156,410	144,410	12,000	3.2
ag10		Housing Advances	187	187	0		0	250	250		
ag80		Housing Strategy	33,499	35,384	-1,885		-1,885	46,010	46,010		
ag70		Private Sector Housing	157,147	144,833	12,314	11,000	1,314	732,690	732,690		3.3
ag30		Rent Allowances	72,031	-378,023	450,054	280,000	170,054	99,370	-110,630	210,000	3.4
	Housing (Gen Fund)		368,687	-264,099	632,786	429,000	203,786	1,027,980	805,980	222,000	
ac65	Leisure & Environment	Allotments	7,672	2,943	4,729	5,000	-271	9,700	9,700		
ac05		Cemeteries	121,334	106,388	14,946	5,000	9,946	163,360	161,360	2,000	4.1
ac90		Children and Young People	43,124	9,929	33,195	35,000	-1,805	45,550	45,550		4.2
as85		Community Safety	277,196	242,689	34,507	12,000	22,507	397,241	381,241	16,000	4.3
ac70		Countryside Management	83,221	85,088	-1,867		-1,867	113,290	130,290	-17,000	4.4
ac87		Creative Communities	20,925	32,957	-12,032		-12,032	25,870	39,870	-14,000	4.5
ac45		Dog Warden Service	30,543	34,178	-3,635		-3,635	39,010	39,010		
ac35		Environmental Health	404,422	398,870	5,552		5,552	563,220	554,220	9,000	4.6
aq40		Land Drainage	20,405	17,322	3,083		3,083	28,796	28,796		
ac60		Leisure Centre	159,157	158,833	324		324	213,720	213,720		
ac89		Leisure Promotion	60,470	36,580	23,890		23,890	71,245	53,245	18,000	4.7
ac95		Licences	-7,721	-16,603	8,882	1,000	7,882	4,865	4,865		4.8
ac68		Parks	424,688	369,885	54,803	45,000	9,803	575,330	575,330		4.9
ac30		Pest Control	38,932	28,801	10,131	-3,000	13,131	54,255	39,255	15,000	4.10
ac10		Public Conveniences	31,007	26,591	4,416		4,416	37,335	37,335		
ac20		Recycling	586,525	245,813	340,712	114,000	226,712	731,863	561,863	170,000	4.11
ac15		Refuse Collection	684,113	575,603	108,510	68,000	40,510	861,630	820,630	41,000	4.12
ac83		Sports Development	85,182	83,172	2,010	12,000	-9,990	124,755	124,755		4.13
ac25		Street Cleansing	648,584	609,419	39,165	25,000	14,165	830,100	838,100	-8,000	4.14
cs03		Waste Business Improvements	128,435	85,426	43,009	5,000	38,009	168,920	132,920	36,000	4.15
	Leisure & Environment		3,848,214	3,133,885	714,329	324,000	390,329	5,060,055	4,792,055	268,000	

General Fund Service Area 2011/12 Monthly Outturn to 31/12/11

Level 5			Estimate to Date	Actual to Date	Variance to Date	Timing Differences	Variance excluding timing Differences	Est 2011/12	Forecast Outturn	Forecast Variation to Year End	REF
aq15	Planning	Building Inspection	39,337	-45,005	84,342	19,000	65,342	54,370	17,370	37,000	5.1
aq20		Car Parks	-168,953	-232,152	63,199	30,000	33,199	-236,050	-282,050	46,000	5.2
aq70		Community Planning	55,186	51,494	3,692		3,692	72,680	72,680		
aq11		Development Control	167,669	124,801	42,868	12,000	30,868	298,194	208,194	90,000	5.3
aq14		Economic Development	140,695	129,997	10,698	12,000	-1,302	189,086	189,086		5.4
aq13		Environmental Initiatives	3,850	5,853	-2,003		-2,003	42,396	42,396		
aq05		Highways Miscellaneous	47,628	38,963	8,665	10,000	-1,335	63,552	66,552	-3,000	5.5
aq35		Industrial Estates	-433,079	-407,590	-25,489	-3,000	-22,489	-607,210	-591,210	-16,000	5.6
ac75		Markets	-3,385	6,048	-9,433		-9,433	-11,054	-4,054	-7,000	5.7
aq30		Misc Property	405	-24,534	24,939	22,000	2,939	-26,350	-24,350	-2,000	5.8
aq12		Planning Policy	247,108	151,769	95,339	11,000	84,339	437,463	242,463	195,000	5.9
aq25		Public Transport	2,956	10,625	-7,669		-7,669	1,560	10,560	-9,000	5.10
aq75		Sustainable Development	38,298	31,816	6,482		6,482	53,350	53,350		5.11
	Planning		137,715	-157,916	295,631	113,000	182,631	331,987	987	331,000	
as05	Support Services Holding A/c	Asset Management	227,643	217,378	10,265	4,000	6,265	393,780	391,780	2,000	6.1
as07		Communications & Promotion	137,013	132,915	4,098		4,098	193,584	188,584	5,000	6.2
as45		Corporate Management	476,017	456,562	19,455		19,455	654,310	654,310		6.3
as25		Council Offices	481,786	406,169	75,617	26,500	49,117	639,090	599,590	39,500	6.4
as15		Finance Support	582,084	577,940	4,144		4,144	819,470	819,470		
as20		I.T. Support	1,153,963	1,184,724	-30,761	-106,000	75,239	1,412,880	1,381,380	31,500	6.5
as10		Legal /Administration	1,006,498	902,613	103,885	15,000	88,885	1,359,254	1,343,254	16,000	6.6
as06		Performance & Scrutiny	52,780	25,214	27,566	2,000	25,566	73,500	68,500	5,000	6.7
		HRA element of Support Services	-692,304	-629,925	-62,379		-62,379	-1,134,150	-1,134,150		
		Revs & Benefits Partnership	-31,680	-31,680	0		0	-42,240	-42,240		
	Support Services Holding A/c		3,425,480	3,273,590	151,890	-58,500	210,390	4,369,478	4,270,478	99,000	
	Adjust for unalllocated savings target							-175,000	0	-175,000	
	New Homes Bonus									-87,440	
	Ill Health Retirement saving									26,880	
	Position as at 31/12/11		10,342,267	8,301,453	2,040,814	817,500	1,223,314	12,263,159	11,357,159	845,440	

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Estimated salary underspend

313,134

1,158,574

Out turn Explanations December 2011

	Forecasted year end variations	Variation To Date	Forecasted Yr End Variance
1	Central Services	86,000	124,000
1.1	<ul style="list-style-type: none"> Corporate Management - £3k Subscription due to a saving on the 'Subscription to the EM Council 2011/12' and 'LGA Subscription 2011/12', £10k Balance from Contributions to 'Prospect Leicestershire 2011/12' no longer going to be paid, (£2k) Repayment of Insurance monies received twice in 2010/11, £4k Members Allowance, £9k Income received from the Audit Commission as a Rebate for 2011/12 invoices, £2k Consultancy Fees, (£13k) Income from Shared Services, £6k minor variances. Year End Savings:- £18k Contribution to 'Prospect Leicestershire', (£8k) Leicester & Leicestershire Economic Partnership 2011/12, (£2k) Repayment of Insurance monies received twice in 2010/11, £3k Subscriptions, £4k Members Allowances, £40k Saving from Redundancy budget provided no further redundancies are agreed before the end of March 2012 	19,000	55,000
1.2	<ul style="list-style-type: none"> Corporate Management (Civic) - £3k Civic Hospitality, £3k Travel costs, £3k Town Twinning 	9,000	
1.3	<ul style="list-style-type: none"> Council Tax Benefit - £4k income from DWP for Incapacity Benefit and Income Support Reassessment Year End-Subsidy Impact - Additional Income - Council Tax 	4,000	14,000
1.4	<ul style="list-style-type: none"> Council Tax/ NNDR - £6k Additional Legal Costs Recovered, £10k Liability Order Expenses Year End - £12k Liability Order Expenses - saving due to the cost being covered by the Revenues & Benefits Partnership 	16,000	12,000
1.5	<ul style="list-style-type: none"> Emergency Planning - £3k Corporate Disaster Recovery budget is not expected to be needed this year (Year End £5k), £1k various. 	4,000	5,000
1.6	<ul style="list-style-type: none"> Register & Borough Elections £25k Local Elections- Saving to date on Local Elections (Year End £28k), £2k Minor Variances, £2k Additional income from sales of Registers (Year End £2k), £5k Canvass salary payments saving (Year End £5k), Year End £3k Postal Vote Challenge 2011/12- Saving 	34,000	38,000
2	Direct Service Organisations	23,000	37,000
2.1	<ul style="list-style-type: none"> DSO Grounds Maintenance - £8k Salaries under spend, £27k income ahead of budget, (£12k) Supplies & Services over spends used to generate income surplus Year End-£37k Surplus income in year end forecast 	23,000	37,000
3	Housing (General Fund)	195,000	222,000
3.1	<ul style="list-style-type: none"> Benefits Fraud - £5k Addition recovery of Benefits Over Payments, £5k Minor variances 	10,000	
3.2	<ul style="list-style-type: none"> Homelessness - £11k Salary under spent, £3k Minor variances, £10k prevention/bond repayments higher than budgeted. (£12k Year End) 	24,000	12,000
3.3	<ul style="list-style-type: none"> Private Sector Housing - £1k Minor variances 	1,000	
3.4	<ul style="list-style-type: none"> Rent Allowances - £170k Additional recovery of benefit overpayments Year End-Subsidy Impact - Additional Income - Housing Benefit 	170,000	185,000 25,000
4	Leisure & Environment	385,000	268,000
4.1	<ul style="list-style-type: none"> Cemeteries- £2k Salaries under spend, £2k surplus income (Year End £2k), £5k minor variances 	9,000	2,000
4.2	<ul style="list-style-type: none"> Children and Young People - (£3k) salaries higher than budgeted, (£3k) car allowances higher than budgeted, £3k Youth Council expenditure currently below budget, £1k various. 	(2,000)	
4.3	<ul style="list-style-type: none"> Community Safety - £5k employee costs lower than budgeted-, £4k Earl Shilton Community House - funding from Town Council not budgeted as unpaid last year, Barwell Community House- £3k income from Poor's Platts charity not budgeted, £2k Income from Parish Council not budgeted, £2k general premises expenditure underspent, £7k Area based grant received re 2012/3 Year End - £4k Earl Shilton Community House - funding from Town Council not budgeted as unpaid last year, £3k Barwell Community House- income from Poor's Platts charity not budgeted, £2k Barwell Community House- Income from Parish Council not budgeted for, £7k Area Based Grant funding not to be spent during 2011/12 A Carry forward request will be submitted to request to carry forward these funds into 2012/13 	23,000	16,000
4.4	<ul style="list-style-type: none"> Countryside Management - £16k Salary saving, vacant post, (£20k) income shortfall, £2k minor variances. (£17k) income shortfall at year end. 	(2,000)	(17,000)
4.5	<ul style="list-style-type: none"> Creative Communities - (£10k) reduction in income generated to support the service - potential projects now cancelled due to grant funding cuts - (Year End (£14k)), (£1k) salaries higher than budgeted, (£1k) car allowances higher than budgeted. 	(12,000)	(14,000)
4.6	<ul style="list-style-type: none"> Environmental Health - £2k Ill health retirement insurance lower than budgeted, (£4k) salaries higher than budgeted, £9k additional Environmental Protection Act registration fee income received (Year End £9k), (£1k) various. 	6,000	9,000
4.7	<ul style="list-style-type: none"> Leisure Promotion - (£2k) NNDR payment made for Old Boys Club (Year End (£2k)), £5k contribution due HC4YP for maintenance costs, eligibility conditions for receipt of funding have not been met this year, so fund will be held in a reserve until conditions have been met - as per the agreement (Year End £5k), £20k professional consultancy costs for Leisure Centre feasibility study will carry through to 2012/13 - budget to be carried forward (Year End £15k). 	23,000	18,000
4.8	<ul style="list-style-type: none"> Licences - £8k salaries lower than budgeted, (£2k) car allowances higher than budgeted, £2k various. 	8,000	
4.9	<ul style="list-style-type: none"> Parks - £11k Salary underspend, (£1k) minor variances 	10,000	
4.10	<ul style="list-style-type: none"> Pest Control - (£2k) salaries higher than budgeted, £9k additional pest control income received due to increased demand for services (Year End £9k), £7k savings from vacating premises at Sketchley Meadow (Year End £7k), (£1k) repair costs for damage on returned lease vehicles, (Year End (£1k)). 	13,000	15,000
4.11	<ul style="list-style-type: none"> Recycling- £40k Salaries/Agency under spend (budget provided for extra green bin crew, no longer required), £2k Vehicle repairs under Budget, £18k Fuel costs below estimate, £11k saving on collection contracts and bag purchases, £100k Recycling improvements - eg deferral of food waste scheme, £2k additional income from Brown bins, £39k Additional Blue bin rental income, £12k extra rebate received from Palm, £2k minor variances Year End - £100k Recycling Improvements (deferral of food waste scheme), £5k Agency cost savings, £4k Vehicle repairs under Budget, £15k Fuel savings, £10k Collection Contracts - budgeted expenditure no longer required due to savings, £3k Additional income from Brown Bins, £39k Surplus income from Blue Bins, £11k Rebate received from Palm, (£24k) Baled recycling income taken to Business Improvements, £7k Other under spends 	226,000	170,000
4.12	<ul style="list-style-type: none"> Refuse Collection- £36k Salary/Agency under spends, £2k vehicle maintenance under spend, £8k Fuel costs below estimate, (£5k) other minor variances Year End- £26k Agency cost savings, £3k Vehicle maintenance under spend, £12k Fuel savings 	41,000	41,000
4.13	<ul style="list-style-type: none"> Sports Development - (£2k) salaries higher than budgeted, (£9k) car allowances higher than budgeted, £1k various. 	(10,000)	
4.14	<ul style="list-style-type: none"> Street Cleansing- £27k Salaries vacancies and Agency under spends, (£5k) Vehicle maintenance higher than budgeted, (£11k) Fuel - usage higher than budgeted, (£8k) equipment maintenance over spend, £11k Cleaning income above budget, £3k FPN income above budget, (£3k) Hire Charges above budget Year End- (£6k) vehicle repairs above budget, (£15k) Fuel - usage higher than budgeted, (£10k) equipment maintenance over spend, £2k Leasing cost under spend, £21k income above budget 	14,000	(8,000)
4.15	<ul style="list-style-type: none"> Waste Business Improvements- £6k Salary under spend StreetScene, (£2k) Salary over spend Markets, £34k additional income from new business (schools etc) and sale of recycled materials (incl. baled plastic & card). Year End £36k 	38,000	36,000
5	Planning	181,000	331,000

	Forecasted year end variations	Variation To Date	Forecasted Yr End Variance
5.1	<ul style="list-style-type: none"> Building Inspection - £20k salaries lower than budgeted, £3k car allowances lower than budgeted, £3k refund of training expenses due to employee leaving the authority, £28k Building Control income higher than anticipated, £2k saving on computer maintenance costs, £2k structural fees budget has not been required as yet, £2k advertising budget is not required this year, £3k back-scanning expenditure lower than budgeted, £2k minor variances. Year End-£30k Building Control income - it is a requirement that any surplus made is to be reserved wholly for the Building Control function, £1k saving on computer maintenance costs, £2k structural fees budget will probably not be required, £2k advertising budget will not be required this year, £2k saving on training budget due to refund being received. 	65,000	37,000
5.2	<ul style="list-style-type: none"> Car Parks - £38k Income ahead of Budget, (£12k) NNDR, Sewer & Environmental - Charges in excess of budget, £5k Mkt Harborough staffing recharges under Budget, £6k Penalty Notice income ahead of budget, (£4k) minor variances. Year End - £35k Income ahead of Budget, (£12k) NNDR, Sewer & Environmental - Charges in excess of budget, £10k Mkt Harborough staffing recharges under Budget, £10k Penalty Notice income ahead of Budget, £3k Electricity under spend. 	33,000	46,000
5.3	<ul style="list-style-type: none"> Development Control - (£8k) salaries higher than budgeted, (£6k) car allowances higher than budgeted, £2k Ill health retirement insurance lower than budgeted, £11k Planning fee income higher than budgeted, £12k legal costs to date have been lower than budgeted - this may change, £15k expenditure on Consultancy and Hired & Contracted Services budgets has been lower than expected to date, £4k current backscanning works being funded from capital - PDG funded revenue budget to be carried forward, £1k minor variances. Year End-£50k Planning fee income has slowed down over the last few months, but a number of major applications are still expected. This is only an estimate if minor applications continue at the same rate as currently being received, £16k approved expenditure from PDG for additional legal fees no longer required - to be left in reserve at year-end, £9k legal fees have been lower than anticipated, £9k consultancy fees have been lower than anticipated, £6k PDG funded budget for backscanning to be carried forward. 	31,000	90,000
5.4	<ul style="list-style-type: none"> Economic Development - (£5k) car allowances higher than budgeted, £2k Economic Development Initiative budget expected to be spent by year-end on a demolition survey for Argents Mead, £2k various. 	(1,000)	
5.5	<ul style="list-style-type: none"> Highways Miscellaneous - (£3k) Income lower than expected for street name and numbering service (Year End (£3k)), £2k various. 	(1,000)	(3,000)
5.6	<ul style="list-style-type: none"> Industrial Estates - (£5k) Overspend on NNDR - some of this may be recouped as NNDR is paid on empty Industrial units for the full year but when properties are rented HBBC will receive a refund, (£12k) Rents lower than anticipated (£2k of debt written off earlier in year), (£2k) Utility costs on empty units, (£2k) additional Meter Water Costs, (£1k) Minor Variances Year End - (£16k) Rent on industrial Units lower than anticipated 	(22,000)	(16,000)
5.7	<ul style="list-style-type: none"> Markets - (£6k) Market fee income lower than budgeted on the new Atherstone market due to a delay in the start of operations and downturn in the economy (Year End (£7k)), (£4k) Market fee income lower than budgeted due to downturn in economy, £1k minor variances. 	(9,000)	(7,000)
5.8	<ul style="list-style-type: none"> Miscellaneous Properties - £5k NNDR for Atkins Building Saving for year, (£2k) Minor Variances Year End - Rents at Atkins Building (£9k), Services charges at the Atkins Building £2k, £5k NNDR 	3,000	(2,000)
5.9	<ul style="list-style-type: none"> Planning Policy - (£8k) car allowances higher than budgeted, £12k Neighbourhood Planning Aid grant for Market Bosworth, expenditure will now be in 12/13 - to be carried forward (Year End £20k), £29k Earl Shilton Masterplan Growth Point funding to now be used for Earl Shilton SUE project, but due to delays in an external traffic assessment, expenditure will take place in 12/13 - to be carried forward (Year End £29k), £47k due to delay in external traffic assessments, expenditure for Earl Shilton & Barwell SUE project cannot occur until 12/13 - to be carried forward (Year End £139k), £4k savings on various supplies and services (Year End £7k). 	84,000	195,000
5.10	<ul style="list-style-type: none"> Public Transport- £1k Salaries, (£9k) Concessionary travel reimbursement under-recovered. (Year End (£9k)) 	(8,000)	(9,000)
5.11	<ul style="list-style-type: none"> Sustainable Development - £6k Salaries lower than budgeted, (£1k) car allowances higher than budgeted, £1k various. 	6,000	
6	Support Services Holding A/c	267,000	99,000
6.1	<ul style="list-style-type: none"> Asset Management - (£2k) Salaries, (£11k) Overspend on Florence House Service Charges, £10k Under spend on Cleaning of Station Road Toilet due to a change in the contract, £2k One off reduced costs for Cleaning Contract, £4k minor variances in Asset Maintenance, £3k Minor Variances Year End - (£13k) Overspend on Florence House Service Charges, £15k Saving on cleaning of Station Road Toilet due to a reduction in contract 	6,000	2,000
6.2	<ul style="list-style-type: none"> Communications - £5k Salaries- Vacant post, (£2k) Car Allowances, (£1k) Minor Variances £2k Corporate Communications under spend- (Year End £3k), Year End- £2k Additional income from Borough Bulletin for 4th edition 	4,000	5,000
6.3	<ul style="list-style-type: none"> Corporate Management - £11k Salaries, £2k Ill Health Retirement saving, £4k Training under spend to date, £2k Minor variances 	19,000	
6.4	<ul style="list-style-type: none"> Council Offices - £11k Salaries, (£1k) NNDR, £2k Purchases & Provisions, £27k Rent received for Florence house, £3k Credit note received for Electricity at Depot after supplying more accurate meter readings, £4k Security Service Maintenance & Callout, (£1k) Insurance, (£4k) additional costs for scanning following move from Florence House, £2k Refuse Disposal, £2k External Works, £3k Minor variances Year End - £37.5k Rent on Florence House extended for a further 12 month @ £4,500 per month (Original 3 months plus 6 Months relates to 2011/12 - £3k Additional boiler costs have also been incurred and off set against the income), (£1k) NNDR, £3k Electricity credit note for Depot, £2k Security Service Maintenance & Callout, (£4k) Additional scanning costs relating to relocation from Florence House, £2k External Works 	49,000	39,500
6.5	<ul style="list-style-type: none"> IT Support- £12k Salaries Vacant Gis Officer Post for Oadby & Wigston, £21k HBBC Salaries, £1k Ill Health Retirement Insurance, (£2k) Car Allowance buyout scheme, £24k Reduced annual Maintenance for Academy remote support due to Revenues & Benefits Shared Service year end saving of £24k of which £12k to be transferred to ICT Reserve, £12k Key fobs paid in 2010/11 issued and recharged during 2011/12, £5k Flexible working savings to date. Year End £ 7.5k, £2k Minor variances 	75,000	31,500
6.6	<ul style="list-style-type: none"> Legal & Admin- £74k Salaries- Vacant Posts & Corporate Services restructure, £3k Ill Health Retirement Insurance, (£4k) Car Allowance Buyout Scheme, £1k Members training saving due to review being carried out internally, £4k Legal fees- reduction in Legal fees incurred, (£1k) Increase in paper costs, £1k Central Stationery saving, £1k Minor variances, £3k Additional Legal Costs income, £7k Increase in Legal Shared Service income. Year End-Legal & Admin - (£3k) Paper Costs, £1k Central Stationery, £4k Legal Fees, £1k Member Training, £3k Legal Costs recovered income & £10k Shared Service Income- due to extension of agreement with Blaby DC 	89,000	16,000
6.7	<ul style="list-style-type: none"> Performance & Scrutiny- £20k Salary saving on vacant Performance Post, £1k Training (£1k Year End), £2k Postage refund costs from 2010/11 (Year End £2k), £2k Minor variances. £2k Year end minor variances 	25,000	5,000
	Ill Health Retirement Insurance saving		26,880
	Total (over)/under spend	1,137,000	1,107,880
	New Homes Bonus		(87,440)
	Estimated salary (over)/under spend		313,134
	Corporate Savings recovered above		(175,000)
	Forecasted year end saving		1,158,574

Summary of Timing Differences in Variations

Monthly Outturn Report 1st April to 31st December 2011

Underspend/(Overspend) caused by timing differences

Corporate Management	Audit Invoices not yet received for 2010/11 to cover accrual Audit Invoices not yet received for 2011/12 Delay in invoicing for salaries from District Council Networks Ill Health Capital Cost - Income to be reclaimed from LCC Outstanding Transfer of Mayors Travel Expenses LRIEP Funding Received - Expenditure not yet incurred	2,000 101,000 (15,000) (14,000) (1,000) 5,000	78,000
Corporate Management (Civic)	Delay in payment of expenses relating to Town Twinning Visit in November 11 Transfer of Mayors Travel Expenses to be done from Corporate Management	2,000 1,000	3,000
Council Tax Benefit	Contribution to Partnership - additional expenditure may be incurred but unsure as to when Contributions to be made to the Revenues & Benefits Partnership - Quarter 3 Delay in Payment of Audit fees for Grant work Journal to be done to code ICT Costs from Rent Allowances Additional Subsidy not yet received	18,000 67,000 12,000 5,000 (22,000)	80,000
Council Tax/ NNDR	Contribution to Partnership - additional expenditure may be incurred but unsure as to when Contributions to be made to the Revenues & Benefits Partnership - Quarter 3 Delay in Payment of Audit fees for Grant work	22,000 106,000 6,000	134,000
General Grants	Contribution to Shophmobility at the Britannia Centre not yet made	10,000	10,000
DSO Grounds Maintenance	Leasing costs - delay in processing invoices from suppliers	3,000	3,000
DSO Housing Repairs	Transport - leases underspend Equipment purchase - costs need to be recoded as materials Materials - under spent against budgeted expenditure Computer software - delay in implementing new system Subcontractor - delay in processing supplier invoices Hired & Contracted Services - delay in committing to expenditure Income not yet charged Other small variances	15,000 (20,000) 46,000 20,000 36,000 6,000 (414,000) 13,000	(298,000)
Benefit Fraud	Contribution to Partnership - additional expenditure may be incurred but unsure as to when Contributions to be made to the Revenues & Benefits Partnership - Quarter 3	2,000 34,000	36,000
Homelessness	Mortgage support scheme spend will be later than profiled Prevention spend will be later than profiled Homeless prevention contribution invoiced due to the Cashiers closing, but will be paid over a number of years Bond repayments invoiced due to the Cashiers closing, but will be paid over a number of years	5,000 2,000 32,000 63,000	102,000
Private Sector Housing	Consultancy spend will be later than profiled Energy Conservation Promotions spend will be later than profiled	8,000 3,000	11,000
Rent Allowances	Contribution to Partnership - additional expenditure may be incurred but unsure as to when Contributions to be made to the Revenues & Benefits Partnership - Quarter 3 Additional Subsidy received Delay in Payment of Audit fees for Grant work Journal to be done to code ICT Costs to Council Tax	12,000 52,000 209,000 12,000 (5,000)	280,000
Allotments	Virement for new work at Markfield awaiting expenditure	5,000	5,000
Cemeteries	Computer software - invoice not yet received from supplier (invoice in dispute) Income variance assumed to be budget profiling Inspections not carried out in line with budget profile	7000 3000 (5,000)	5,000
Children & Young People	Expenditure for the Locality Partnership Coordinator scheme will be later than profiled. Expenditure for PAYP projects will be later than profiled.	26,000 9,000	35,000
Community Safety	Training spend will be later than profiled Equipment purchase will be later than profiled Beacon Scheme Christmas campaign spend - invoices awaited CCTV maintenance earlier than profiled County analyst not yet invoiced Domestic violence - minor project spend will be later than profiled ASB projects will be later than profiled Debtor's invoice duplicated in error	2,000 2,000 3,000 (7,000) 3,000 3,000 3,000 3,000	12,000
Licences	Awaiting MOT inspection invoice for taxis	1,000	1,000
Parks	Grounds maintenance - work not profiled in line with budget Electricity - invoice awaited from supplier Effluent Treatment - work done not yet invoiced Equipment Maintenance - LCC Street Lighting invoices awaited Non Developer Capital Income - re works at Burbage Common Contributions from outside bodies not in line with Budget Equipment / Materials / Tree Works not in line with Budget	10,000 20,000 10,000 3,000 4,000 (8,000) 6,000	45,000
Pest Control	Leased vehicles prepayment for April to Sept 2012	(3,000)	(3,000)

Recycling	Salaries: 3 months not yet charged by NBBC; agency invoices processed later than profile. Repairs & Maintenance invoices from suppliers not yet paid Equipment purchase spending not in line with Budget profile Leasing costs - quarterly leasing invoice processed early. Kerbside recycling / Green waste - delay in processing invoices from suppliers Advertising - Invoices not processed in line with budget profile Contributions to other bodies - payments not in line with Budget profile LCC's Recycling Credits - reduced volumes of garden waste recycled	10,000 2,000 20,000 28,000 44,000 3,000 3,000 4,000	114,000
Refuse Collection	Salaries: 3 months not yet charged by NBBC; agency invoices processed later than profile. Repairs & Maintenance invoices from suppliers not yet paid Leasing costs - delay in processing invoices from suppliers / not in line with profile.	10,000 2,000 56,000	68,000
Sports Development	Physical Activity funding for Jan received in Dec Awaiting completed applications from various bodies to release final Open & Training schemes funding. Sportivate funding to be spent later than profiled Physical Activity funding to be spent later than profiled Awaiting invoices from successful applicants to the GP Exercise Referral scheme - orders raised.	2,000 2,000 2,000 2,000 4,000	12,000
Street Cleansing	Hired & Contracted - Spending not in line with budget profile Insurance - Budget to be reprofiled Leasing costs - delay in processing invoices from suppliers / not in line with profile.	(2,000) (2,000) 29,000	25,000
Waste Business Improvements	Streetscene - Recycling Improvements - spend not in line with budget profile	5,000	5,000
Building Inspection	Awaiting invoice from Oadby & Wigston for Chief Building Control Officer recharge	19,000	19,000
Car Parks	Market Bosworth Car Park - invoicing not in line with Budget profile Electricity - Charges incurred but not yet invoiced Equipment Maintenance - LCC Street Lighting invoices awaited Leics CC NPU charges not in line with Budget profile CPE Penalty Notice income behind Budget	5,000 1,000 27,000 (8,000) 5,000	30,000
Development Control	Awaiting invoice from LCC for Archaeological & Ecology works Awaiting invoices for advertising costs in local papers	10,000 2,000	12,000
Economic Development	Awaiting final invoices for the erection and installation of Christmas tree and lights Awaiting invoices from Elliot Urban Regeneration for consultancy works	4,000 8,000	12,000
Highways Miscellaneous	Accrual for queried LCC street lighting invoices from 09/10 and 10/11 Awaiting LCC invoice for street lighting 11/12	7,000 3,000	10,000
Industrial Estates	Accrual for queried LCC street lighting invoices from 09/10 and 10/11 Delay in Service Charge Income for Greenfields Units Repayment of NNDR paid on Vacant Property - now tenanted refund to be received	2,000 (4,000) (1,000)	(3,000)
Miscellaneous Properties	Atkins Utility invoices not yet received - awaiting invoices Delay in Receipt of income for Utilities due to payments not yet being made Delay in payment for Metered Water - awaiting invoices Rent on Atkins Building not yet invoiced Delay in payment of Bus Stop Improvements	25,000 (9,000) 4,000 (5,000) 7,000	22,000
Planning Policy	Awaiting invoice for Habitat highways survey Awaiting invoice from Birmingham University for Masters course	8,000 3,000	11,000
Asset Management	Delay in payment of Cleaning invoice for October & November 2011 - Invoices in Dispute Florence House Service Charge Paid Earlier than anticipated	14,000 (10,000)	4,000
Council Offices	Awaiting Invoices for Gas and Electricity Pat Testing Metered Water for Florence House not yet paid Delay in transfer of cost for Grounds Maintenance Delay in Payment for Cleaning at Leisure Centre Offices Rent for Florence House - October, November & December 2011	30,000 5,000 2,000 2,000 1,000 (13,500)	26,500
IT Support	ICT Contract invoice for December invoiced early and paid in December ICT Recharge for Shared Services for Blaby & Harborough DC for December- Not Invoiced until January 2012 Invoice not received for costs for Google Search Engine Invoice for CRM System maintenance not received until January Annual Disaster Recovery support- Invoice not yet approved for new contract Invoice for County Partnership Contribution for A-Z Website facility- not yet received	(89,000) (38,000) 5,000 4,000 6,000 6,000	(106,000)
Legal/Administration	Legal Time Recording system- delay in project. Equalities - Invoices for Equalities Peer review received in December- not approved until January Medical Fees- Invoices for Medical fees to be recharged to Services Photocopy charges- Quarterly charges for Photocopy costs - invoice in dispute awaiting Credit Note Legal- Professional Subscriptions invoice received in January Salaries - Invoice for November & December outstanding for HR Officer recharge from Charnwood BC	4,000 5,000 (2,000) 3,000 2,000 3,000	15,000
Performance & Scrutiny	Delay in Postage costs for Citizens Panel & Other Consultation projects	2,000	2,000
TOTAL TIMING DIFFERENCES			817,500

DSO GROUND CARE SERVICES

FINANCIAL POSITION AS AT 31 December 2011

	Budget to Date £	Actual to Date £	Variance £	Variance %
Total Employee Costs	439,212	422,460	16,752	3.8%
Premises Related Expenditure	369	-	369	100.0%
Transport	89,905	87,458	2,447	2.7%
Supplies and Services	75,082	86,577	-11,495	-15.3%
Total Costs	604,568	596,495	8,073	1.3%
Total Income	-663,635	-690,561	26,926	-4.1%
Position to Date	-59,067	-94,066	34,999	59.3%
Central & Administration (see detail below)	76,807	71,546	5,261	6.8%
Capital Charges	13,315	13,312	-	
Net Expenditure / (Income)	31,055	-9,208	40,223	129.5%

<u>Central & Administration Charges</u>	Budget to Date £	Actual to Date £	Variance £
Depot Recharge	8,432	8,370	62
Accountancy recharge	5,346	5,258	88
Contact Centre Recharge	3,856	3,827	
Photocopying Recharge	9	1	
Central Stationery recharge	17	9	8
Reprographic Section recharge	97	89	8
Central Postages recharge	128	119	9
Corporate Support services rec	159	59	100
Internal Audit Recharge	1,554	1,015	539
Central IT Recharge	5,708	5,832	-124
IEG Recharge	623	813	-190
Chief Exec & Sec Recharge	2,311	2,151	160
Creditors Management	5,374	4,662	712
Debtors Management	647	601	46
Cashiers Dept.	135	139	-4
Communication & Promotion Recharge	13,516	12,734	782
Human Resources	17,965	17,333	632
Health & Safety	4,171	3,671	500
Performance and Scrutiny	6,759	4,863	1,896
	76,807	71,546	5,224

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Capital Programme Summary
31st Dec 2011

Description	Latest Budget	Budget to Date	Actual	Variance
General Fund				
Community Direction	1,051,700	775,209	340,816	434,393
Business, Contract and Streetscene Services	1,448,165	683,647	280,241	403,407
Corporate Direction	817,027	592,235	324,865	253,674
	3,316,892	2,051,091	945,922	1,091,474
HRA	3,014,290	2,266,510	1,615,393	629,117
Grand Total	6,331,182	4,317,601	2,561,314	1,720,591

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31st Dec 2011
Community Direction

Description	Latest Budget	Budget to Date	Actual	Variance
Major Works Grants	190,000	142,519	32,049.50	110,470
Disabled Facilities Grant	581,450	436,145	239,507.45	196,638
Grant to Home Improvement Agency	37,350	28,016	18,341.96	9,674
Decent Homes Projects	23,340	17,508	2,274.96	15,233
Minor Works Grants	90,000	67,509	3,852.12	63,657
	922,140	691,697	296,026	395,671
Planning Plotter	6,140	6143	6142.48	1
Wall Improvements Barwell	9,300	9,300	0.00	9,300
Borough Improvements	64,040	48,035	25,148.24	22,887
Brodick Rd Woodland & Wildlife Area	20,000	8,000	12,819.63	(4,820)
Shop Front Improvements Barwell	30,080	12,034	680.00	11,354
	129,560	83,512	44,790	38,722
Grand Total	1,051,700	775,209	340,816	434,393

Business, Contract and Streetscene Services

Queens Park	6,610	4959	1585.45	3,374
Richmond Park Play Area	18,560	13922	0	13,922
Burbage Common	264,300	161,223	94,031.98	67,191
Memorial Safety Programme	5,770	1443	555.53	887
Cemeteries Booking System	0	0	1,044.00	(1,044)
Churchyard Repairs	2,370	1,779	0.00	1,779
Hollycroft Park	670	504	0.00	504
Grounds Maintenance Machinery	2,580	1,935	0.00	1,935
Parks : Major Works	40,350	29,928	36,709.51	(6,782)
Billa Barra Footpath Enhancement	10,980	10,980	0.00	10,980
Parish & Community Initiatives	130,710	98,046	44,599.00	53,447
Resurfacing Car Parks	11,555	-115	0.12	(115)
Blue Recycling Bin project	892,000	297,333	35,006.94	262,326
Recycling Containers	61,710	61,710	66,708.06	(4,998)
	1,448,165	683,647	280,241	403,407

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31st Dec 2011
Corporate Direction

Description	Latest Budget	Budget to Date	Actual	Variance
Financial Systems	15,730	11,799.00	2,343.75	9,455
	15,730	11,799	2,344	9,455
Corp Scanner	10,270	10,270.00	10,228.11	42
Modern e Gov	20,000	12,500.00	5,500.00	7,000
Customer First Project	17,190	10,745.00	0.00	10,745
	47,460	33,515	15,728	17,787
Atkins Partitioning - Phase 2	18,000	18,000.00	4,304.40	
Atkins Building Conversion	31,460	23,597.00	-6,979.04	30,576
Atkins Partisioning	50,000	37,505.00	47,638.28	(10,133)
Greenfields Development	2,830	2,124.00	-108,280.23	110,404
Electronic Meter Reading	20,000	20,000.00	19,459.00	541
Asset Management Enhancement Works	50,000	-33,753.00	0.00	(33,753)
Council Office Relocation	49,800	0.00	1,495.00	(1,495)
	222,090	67,473	(42,363)	96,140
HR/Payroll System	2,880	1,440.00	794.34	646
	2,880	1,440	794	646
General Renewal -Extensions	35,100	14,040.00	2,999.47	11,041
Members IT	39,370	24,607.00	0.00	24,607
Rolling Server Review	43,230	17,292.00	3,283.74	14,008
	117,700	55,939	6,283	49,656
Shared Revenues and Benefits	357,126	369,276.00	328,776.00	40,500
Flexible Working/Relocation	5,000	3,752.00	2,621.02	1,131
Mobile Working/Flexible Working Project	0	0.00	321.00	(321)
Transformation	49,041	49,041.00	12,077.29	36,964
Revnues and Benefits Relocation	0	0.00	-1,717.20	1,717
	411,167	422,069	342,078	79,991
	817,027	592,235	324,865	253,674

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31st Dec 2011

HRA

Description	Latest Budget	Budget to Date	Actual	Variance
Barwell Community House Project	0	0	180	-180
Adaptation Of Dwellings	429,150	321,903	223,244	98,659
Upgrade Lifts in Warden Assisted Area	50,000	37,505	0	37,505
Major Void Enhancements	922,690	692,110	453,450	238,660
Programmed Enhancements	514,830	384,549	187,111	197,438
Electrical Testing/Upgrading	134,110	100,593	75,921	24,672
Windows : Single to Double Glazing	62,120	48,218	69,337	-21,119
Re-Roofing	32,910	24,686	33,989	-9,303
Alexander Gardens - New Build	232,070	174,076	186,541	-12,465
Northfield car park improvements	0	0	-1,052	1,052
Tenant Led Community Projects	20,000	15,002	0	15,002
Kitchen Upgrades	290,610	217,987	186,786	31,201
Boiler replacement	282,620	211,993	173,359	38,634
Low maintenance doors	21,180	15,888	26,526	-10,638
Housing Repairs Software System	22,000	22,000	0	22,000
Total	3,014,290	2,266,510	1,615,393	629,117

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Housing Revenue Account

	2011/12 LATEST ESTIMATE £	2011/12 BUDGET To Dec11 £	ACTUAL TO To Dec11 £	VARIANCE %	VARIANCE £	TIMING DIFFERENCE	VARIANCE £	ESTIMATED OUTTURN £
SUMMARY HOUSING REVENUE ACCOUNT								
INCOME								
Dwelling Rents	(10,623,650)	(8,059,928)	(8,004,650)	-1%	(55,278)		(55,278)	(10,528,888) 1
Non Dwelling Rents	(69,800)	(54,979)	(54,905)	0%	(74)		(74)	(69,800)
Contributions to Exp	(15,290)	(11,471)	(11,468)	0%	(3)		(3)	(15,290)
Transfer from Major Repairs Reserve	(2,007,900)	(1,505,925)	(1,505,925)	0%	0		0	(2,007,900)
	(12,716,640)	(9,632,303)	(9,576,948)	-1%	(55,355)	0	(55,355)	(12,621,878)
EXPENDITURE								
Supervision & Management (General)	1,546,105	991,725	841,621	-15%	150,104	(12,000)	138,104	1,449,559
Supervision & Management (Special)	733,070	545,575	295,593	-46%	249,982	(6,000)	243,982	518,192
Contribution to Housing Repairs A/C	2,400,000	1,800,000	1,800,000	0%	0		0	2,400,000
Depreciation (Item 8 Debit)	4,060,170	3,045,534	3,045,128	0%	406		406	4,060,170
Capital Charges : Debt Management	7,260	5,445	5,258	-3%	187		187	7,260
Increase in Provision for Bad Debts	50,000	0	0		0		0	50,000
Negative HRA Subsidy	4,083,163	3,265,714	3,388,979	4%	(123,265)		(123,265)	4,234,110 2
	12,879,768	9,653,993	9,376,579	-3%	277,414	(18,000)	259,414	12,719,291
Net Cost of Services	163,128	21,690	(200,369)		(222,059)	18,000	(204,059)	97,413
Interest Receivable	(9,640)	0	0	0%	0		0	(9,640)
Capital cost of retirement	0	0	0	0%	0		0	0
FRS17 Adjustment	(37,240)	0	0	0%	0		0	(37,240)
Net Operating Expenditure	116,248	21,690	(200,369)		(222,059)	18,000	(204,059)	50,533
CONTRIBUTIONS								
Contribution to Piper Alarm Reserve	10,400	0	0	0%	0	0	0	10,400
Contribution to Pension Reserve	12,890	0	0	0%	0	0	0	12,890
(Surplus) / Deficit	139,538	21,690	(200,369)		(222,059)	18,000	(204,059)	73,823

Explanations for Variances

- 1 - Dwelling rent in line with void properties (55)
 2 - payment adjustment following recent subsidy return (123)

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Housing Revenue Account

	2011/12 LATEST ESTIMATE £	2011/12 BUDGET To Dec11 £	ACTUAL TO To Dec11 £	VARIANCE %	VARIANCE £	TIMING DIFFERENCES	VARIANCE £	ESTIMATED OUTTURN £
SUPERVISION & MANAGEMENT (GENERAL)								
Employees	638,420	470,829	394,283	-16%	76,546		76,546	561,874
Premises Related Expenditure	91,390	73,293	74,442	2%	(1,149)		(1,149)	91,390
Transport Related Expenditure	32,300	24,232	26,972	11%	(2,740)		(2,740)	32,300
Supplies & Services	139,200	78,651	61,980	-21%	16,671	(12,000)	4,671	134,200 1
Central & Administrative Expenses	672,470	355,922	309,311	-13%	46,611		46,611	672,470
Gross Expenditure	1,573,780	1,002,927	866,988	-14%	135,939	(12,000)	123,939	1,492,234
Revenue Income	(27,675)	(11,202)	(25,367)	126%	14,165		14,165	(42,675) 2
Net Expenditure to HRA	1,546,105	991,725	841,621	-15%	150,104	(12,000)	138,104	1,449,559
SUPERVISION & MANAGEMENT (SPECIAL)								
Employees	677,940	491,729	402,851	-18%	88,878		88,878	589,062
Premises Related Expenditure	411,358	313,507	250,839	-20%	62,668		62,668	381,358 3
Transport Related Expenditure	15,470	11,622	15,699	35%	(4,077)		(4,077)	15,470
Supplies & Services	145,540	118,962	82,612	-31%	36,350	(6,000)	30,350	119,540 4
Central & Administrative Expenses	137,570	103,259	93,084	-10%	10,175		10,175	137,570
Gross Expenditure	1,387,878	1,039,079	845,085	-19%	193,994	(6,000)	187,994	1,243,000
Revenue Income	(604,328)	(455,639)	(511,632)	12%	55,993		55,993	(674,328) 5
Recharges	(50,480)	(37,865)	(37,860)	0%	(5)		(5)	(50,480)
Total Income	(654,808)	(493,504)	(549,492)	11%	55,988	0	55,988	(724,808)
Net Expenditure to HRA	733,070	545,575	295,593	-46%	249,982	(6,000)	243,982	518,192

Explanations for Variances

	£000's
1 Choice Based lettings spend will be later than profiled	7
strategic tenant participation work later than profiled	5
legal fees less than profiled to date	2
miscellaneous	3
	17
2 no legal cost recovery yet	(2)
miscellaneous income lower than budgeted	(3)
income from NW from staff share not budgeted	19
	14
3 - underspend on electricity	9
underspend on gas	50
cleaning materials underspent	2
miscellaneous	2
	63
4 - furniture/equipment purchase will not be spent	15
piper alarm system will not be spent	8
equipment maintenance will be later than profiled	6
telephone spend will be later than profiled	3
printing and stationery will not be spent	3
miscellaneous	1
	36
5 - fees and charges higher than anticipated	18
supporting people income higher than budgeted	26
lifeline income higher than budgeted	12
	56

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Housing Revenue Account

	2011/12 LATEST ESTIMATE £	2011/12 BUDGET To Dec11 £	ACTUAL TO To Dec11 £	VARIANCE %	VARIANCE £	TIMING DIFFERENCES	VARIANCE £	ESTIMATED OUTTURN £	F'CASTED YEAR END VARIANCE £
HOUSING REPAIRS ACCOUNT									
Administration									
Employee Costs	345,870	245,049	207,791	-15%	37,258		37,258	302,870	43,000 1
Transport Related Expenditure	26,220	19,667	15,114	-23%	4,553		4,553	22,220	4,000 2
Supplies & Services	142,470	89,935	76,251	-15%	13,684		13,684	124,470	18,000 3
Central Administrative Expenses	312,600	234,487	217,754	-7%	16,733		16,733	312,600	-
Total Housing Repairs Administration	827,160	589,138	516,910	-12%	72,228		72,228	762,160	65,000
Programmed Repairs	536,630	435,473	390,827	-10%	44,646	(44,000)	646	536,630	- 4
Responsive Repairs	1,039,670	779,872	516,836	-34%	263,036	(263,000)	36	1,039,670	- 4
GRAND EXPENDITURE	2,403,460	1,804,483	1,424,573	-21%	379,910	(307,000)	72,910	2,338,460	65,000
Contribution from HRA	(2,400,000)	(1,800,000)	(1,800,000)	0%	-	-	-	(2,400,000)	-
Interest on Cash Balances	(2,020)	-	-	0%	-	-	-	(2,020)	-
Other Income	(2,000)	(1,500)	(1,798)	20%	298	-	298	(2,000)	-
FIS17 Adjustment	(10,610)	-	-	0%	-	-	-	(10,610)	-
TOTAL INCOME	(2,414,630)	(1,801,500)	(1,801,798)	0%	298	-	298	(2,414,630)	-
NET EXPENDITURE	(11,170)	2,983	(377,225)	-12746%	380,208	(307,000)	73,208	(76,170)	65,000

Explanations for Variances

£000's

1. Year End forecasted savings on salaries (£25k) & agency costs (£18k)

43

2. Forecasted underspend on car allowances

4

3. Forecasted underspend on consultancy fees

18

65

4 - timing - Willmott Dixon/in house handover in house recharges not yet in line with profiling WD charges not finalised

307

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FINANCE, AUDIT & PERFORMANCE SELECT COMMITTEE

AUDIT RECOMMENDATION TRACKING

REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)

WARDS AFFECTED: ALL WARDS



Hinckley & Bosworth
Borough Council

A Borough to be proud of

1. PURPOSE OF REPORT

To inform the Select Committee of the progress in implementing 2011/12 Audit Recommendations

2. RECOMMENDATION

That the Select Committee note the report

3. BACKGROUND TO THE REPORT

At its meeting in July the Select Committee asked to be informed of the progress in the implementation of recommendations made by Internal Audit. Attached is a schedule of recommendations considered by the Committee to date and the progress made in implementing them.

4. FINANCIAL IMPLICATIONS (DB)

None arising directly from this report.

5. LEGAL IMPLICATIONS (AB)

There are none

6. CORPORATE PLAN IMPLICATIONS

This report supports the following Corporate Aims

- Thriving Economy

7. CONSULTATION

None

8. RISK IMPLICATIONS

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
None		

9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

None

10. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account: [if you require assistance in assessing these implications, please contact the person noted in parenthesis beside the item]

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector implications

Background papers: Previous Audit progress reports

Contact Officer: David Bunker Accountancy Manager ext 5609

Executive Member:

Audit Recommendations - Progress Report - December 2011

Audit	Recommendation	Responsible manager	Implementation date	Completed
Car parks	All unexplained amounts appearing on the transactions listing should be highlighted and analysed by the Streetscene Support Supervisor and Chief Cashier	C Roffey	01 July 2011	Monthly meeting held between Streetscene Support Supervisor and Chief Cashier to clear unexplained amounts
	Discussions should be held with Kings Security to ensure that banked cash amounts can be clearly matched to source (i.e. individual car parks and ideally pay and display machines)	C Roffey	01 September 2011	Information is received from Kings regarding amounts collected from individual machines
	The Council should ensure that the incident report is provided by Kings and that it provides reassurance that the loss of cash boxes will not reoccur	C Roffey	01 June 2011	Report received from Kings, assurances received that incident will not reoccur
Financial regulations	a) Procurement Staff should maintain a register of waivers received from departments to ensure that an audit trail can be maintained b) Although the Financial Procedure Rules already state that all waivers should be made in consultation with the Procurement manager, the requirement for all waiver forms to be passed to procurement should also be clearly stated on the waiver request form. This will facilitate the process of maintaining a register	J Kenny	Form 31 July 2011 other next revision of FPR	Form done, Awaiting review of FPR
	a) all waivers should be approved by a member of SLB in accordance with FPR b) All waiver requests should also go to the Procurement manager for consultation	SLB	31 July 2011 with training through 2011/12	Yes
	a) It is recommended that FPR be reviewed to include a paragraph regarding Orders for Work, Goods and Services to state that "Orders for works goods and services must be made by the person receipting the goods or services. Orders must subsequently be authorised in accordance with authorised approvers and their approval limits" b) Instances of non compliance should be monitored and appropriate action taken c) Management should consider introducing a statement where members of staff sign to confirm they have read and understood the Council's FPRs . This can be achieved via a centralised policy acceptance system	J Kenny	To be considered as part of next review of FPR in Dec 2011	Awaiting review of FPR
Supporting People	A copy of the current signed contract or extension between HBBC and Leicestershire (LCC) defining the service levels between both parties should be located and retained by HBBC	C Taylor	01 August 2011	Copies of the current contract extension documents were received by Leicestershire County Council, signed by Hinckley & Bosworth BC and returned 03/08/2011. Copies of which have been retained.
	a) Further liaison should be undertaken between the Council and LCC during the supporting people budget process to help minimise variances between forecast and actual LCC income b) The Finance Department should reconcile the actual income received to that expected as per the budget in order to manage expenditure accordingly	D Bunker	01 September 2011	Actioned as part of budget process

Community Safety	a) The Council should ensure that there is a consistency in the information input into the incident date and logged date field. The incident should be the date the complaint was received and the logged date the date the first action was completed . The date of the actual incident should be recorded within the description of the complaint. This will also aid the in the effective monitoring of the days taken to process an incident. b) the Council should ensure that going forward all information is correctly input when initially receiving the complaint	a) S Stacey, b)M Shellard/ J Wykes	01 August 2011	Recommendation superseded as new case management software Sentinel went live on 5 December
	The Council should ensure that in all cases a closure report is completed and considered by a team leader when reviewing the closure. All Documents should be retained	M Shellard/J Wykes	01 August 2011	Auctioned
Enforcement	Conditions/enforcement decisions set at the planning stage should be monitored for key delivery dates This monitoring should be documented for the event that issues with the planning arise at a later date	T Miller	01 January 2012	Actioned
	The enforcement team should visit 100% of cases within 15 days. Where this is not achieved management should investigate the reason for non-achievement of the target and agree a course of action to ensure that the visit is undertaken at the earliest opportunity	T Miller	01 August 2011	Actioned
Risk management	Council should ensure key officer is assigned to oversee updating of TEN by risk owners. This role will ensure system is updated on a regular basis and act as check and challenge to ensure reports reflect current risk profile. Council should ensure risk owners understand responsibilities for updating risks on TEN	L Horton	Immediate	Actioned, incorporated in role of Consultation & Improvement Officer and Chief Officer is Risk champion who will ensure COB retains ownership of risks and they are effectively reviewed
	Risk Management strategy should be updated and reviewed for 2011/12	L Horton	01 September 2011	Strategy updated
	Council should develop a risk management training and awareness programme to ensure all staff/members are aware of and understand principles laid down in the risk management strategy	L Horton	01 October 2011	Actioned
	Management should ensure that FAP, SLB and COB receive regular reports of the Council's key risks including details of each specific risk and updated position on controls action plans and assurance. Year end report for 2011/12 should be compiled and submitted to Executive .	L Horton	01 September 2011	Reports now sent to FAP on a regular basis first one was to Sept meeting. SLB/COB have quarterly standing item
	Council/risk owners should undertake a complete review of risks held on TEN to determine whether these are the key risks the Council are facing during 2011/12 and beyond	L Horton	01 October 2011	Completed by the end of Dec
	Agenda item for team meetings at least quarterly to provide opportunity to identify new risks and also to review current risks to ensure key risks continue to be identified and communicated through appropriate channels	L Horton	Immediate	Risk management now on agenda of performance meetings
	Risk owners should undertake a review of all controls and action plans to ensure that they are relevant and effective to manage the risk	L Horton	01 October 2011	Actioned as part of review of risks and training

	The Council should develop a formal assurance process in order to provide assurance through reporting channels that controls in place to manage each risk are in place and working effectively. Assurance process should be included in the strategy	L Horton	01 September 2011	Dealt with as part of the Strategy review
	Council should ensure formal reporting structure is reintroduced to ensure risk owners have updated their risks and management update and review these risks to provide key committees and groups with relevant assurance	L Horton	01 September 2011	Actioned
	All risks identified in committee reports etc should be linked back to TEN to ensure they are managed effectively by the owner	L Horton	01 September 2011	A change to the report template will prompt this
Project management	Staff should be reminded that consistent approach to project management should be followed at all times, this should include ensuring that the relevant documents are developed and maintained. Council should detail the approach and documents required at the various financial thresholds. Guidance should include what is expected of officers in relation to Prince 2	M Brymer	01 November 2011	This was discussed at the November meeting of the Capital Forum Group
	The Council should ensure that the documented project management process includes a defined scope, schedule and cost at earliest opportunity	All Managers responsible for projects	01 November 2011	Implemented and linked to item above
Key performance indicators	In future targets should be set in a timelier manner to ensure they are in place before first stage reporting at the end of April	L Horton	Oct/Nov 2011	This will be addressed as part of the Service Improvement Plan progress which is approaching completion
	As per data Quality policy suitable working papers should be retained for NI158 to evidence & support value in TEN	L Horton	01 October 2011	Actioned by e-mail to collector and head of service
Planning	The delegated responsibility of signing off applications decisions should be formally documented to ensure they are made by approved officers of the council. The assigned responsibility should be documented within the scheme of delegation	S Wood	25 October 2011	Actioned by report to Council 25 October 2011
Homelessness	The Housing options offices should ensure for all applicants a decision form is completed and retained in the applicants file	J Wykes	01 November 2011	Actioned
	The Council should review and amend letters provided to applicants in regard to their application. Decision letters should be concise and provide all the relevant information and all statutory requirements	J Wykes	01 January 2012	In progress reviewing letters for plain English, some letters are by necessity long due to the circumstances of the case.
	Council should review the effectiveness of the Orchard system for the homelessness service	J Wykes	01/01/212	Review of Orchard yet to commence
Risk management	The Council should ensure that during the annual business planning process risks compiled by managers are reviewed checked and updated as necessary by an independent officer. However managers should note that this exercise should be undertaken only as an addition to their own regular reviews and should not be relied on as a fall-back check	L. Horton & Service managers Managers	Complete in terms of TEN. March 2012 for SIPS	TEN complete SIPS in progress

Atkins Building Commercial Income	Document should be produced that provides information and disclaimers with regards to the hiring of rooms. Prior to use of the room it should be signed by the customer. The document should contain information such as the agreed price for the room, date of payment, main elements of the risk assessment, general housekeeping rules, action taken due to non compliance, penalties for cancellation or damages etc	M Evans	14 November 2012 Actioned
Creditors	Staff involved in purchasing must complete purchase orders for all purchases and have the appropriately approved prior to placing an order. Invoices that are received with out a PO should be reported at an appropriate level, so that those concerned can be reminded of the process to follow.	J Kenny	01 December 2011 This item is to be discussed at the next meeting of the Corporate Operations Board
Asset Register	The transfer of data from the spreadsheet FAR to CIPFA Asset Manager system is not complete, once this has taken place the two systems should be reconciled to ensure they agree at the point of 31 March 2011	D Bunker	01 February 2012 Data transfer now complete



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Borough Council

Finance, Audit & Performance Committee Work Programme 2011/2012

ISSUE 2012/06: March 2012

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Agenda Item 11

FINANCE, AUDIT & PERFORMANCE COMMITTEE WORK PROGRAMME 2011/2012

1. Internal Audit Work Programme

- Consider each Internal Audit Block and recommendations and ensure that recommendations are implemented and followed up

2. Financial and Budget Monitoring

- Final Accounts 2010/11 (July 2011)
- Quarterly Budget Monitoring (September & December 2011, March 2012)
- Capital Programme (December 2011)
- Budget Proposals / Council Tax (February 2012)
- Prudential Code (March 2012)
- Treasury management Report (May 2012)

3. Corporate Management

- Risk Management (December 2011)
- Annual Audit Plan (March 2012)
- ISA260 Annual Audit Letter (September 2011)
- Annual Audit Report (May 2012)

FINANCE, AUDIT & PERFORMANCE COMMITTEE

Finance, Audit & Performance Committee – Monday 26 March 2012					
Function	Activity/ Objective	Reason	Desired Outcome	Vision, Values and Aims	Responsible (member/officer)
Scrutiny Topics					
Performance Management Information	Internal Audit Progress Report	Ensure findings are considered	Recommendations are implemented	All Corporate Aims	Deputy Chief Exec (Corp. Direction) / Internal Audit
	Budget monitoring – 3 rd quarter	Quarterly update report	Ensure Members are aware of current issues with regard to the budget	Thriving Economy	Deputy Chief Exec (Corp. Direction) / Accountancy Mang.
	Annual Audit and Inspection Letter	Review work of External Auditors	Matters reported by External Auditors are considered by Elected members	All Corporate Aims	Deputy Chief Exec (Corp. Direction)
	Prudential code	Ensure value for Money	Ensure the Executive delivers good value improving Services	All Corporate Aims	Deputy Chief Exec (Corp. Direction) / Accountancy Mang.
	Annual Audit Plan	Provide the plan for external audit	Plan approved	All Corporate Aims	Deputy Chief Executive (Corp. Direction)
	Service Improvement Plan monitoring – 3 rd quarter	Quarterly update report	Ensure Members are aware of status of Service Improvement Plans, PIs and Corporate Risks	All Corporate Aims	Deputy Chief Executive (Corp. Direction) Principal Officer – Perf & Risk
Tracking of implementation with previous recommendations					
Committee Management Issues	Work Programme 2011/12	To review the Committee's workload	To ensure timely consideration of reports and consistency of distribution of workload	All Corporate Aims	Accountancy Manager/ Chairman

Finance, Audit & Performance Committee – Monday 30 April 2012					
Function	Activity/ Objective	Reason	Desired Outcome	Vision, Values and Aims	Responsible (member/officer)
Scrutiny Topics					
Performance Management Information	Internal Audit Progress Report	Ensure findings are considered	Recommendations are implemented	All Corporate Aims	Deputy Chief Exec (Corp. Direction) / Internal Audit
	Annual Audit Report 2011/12 (internal)	To provide assessment of internal control	Assurance of internal control and risk management	All Corporate Aims	Deputy Chief Executive (Corporate Direction) / Internal Audit
	Treasury Management Performance report	Ensure value for Money	Ensure the Executive delivers good value improving Services	All Corporate Aims	Deputy Chief Exec (Corp. Direction) / Accountancy Manager
Tracking of implementation with previous recommendations					
Committee Management Issues	Work Programme 2011/12	To review the Committee's workload	To ensure timely consideration of reports and consistency of distribution of workload	All Corporate Aims	Accountancy Manager/ Chairman