

EAST HERTS COUNCIL

COMMITTEE – AUDIT COMMITTEE – 20 NOVEMBER 2013

REPORT BY HEAD OF PLANNING AND BUILDING CONTROL

UPDATE IN RELATION TO THE SHARED INTERNAL AUDIT SERVICE (SIAS) SECTION 106 AUDIT RECOMMENDATIONS

WARD(S) AFFECTED: All

Purpose/Summary of Report

- To provide an update for the committee in relation to the implementation of the recommendations set out in the SIAS audit of s106 procedures carried out in 2012.

RECOMMENDATIONS That:

(A)	The report now submitted, which sets out an update in relation to the SIAS Audit of Section 106 procedures undertaken in 2012 be received.

1.0 Background

1.1 Members of the Committee will recall that an audit of the Section 106 legal agreement processes was undertaken by SIAS in 2012. The subsequent report gave with a moderate assurance for the service area and 13 recommendations were made, of which 7 were categorised as a high priority.

1.2 The SIAS report was submitted to the November 2012 meeting of this Committee. At that stage, some initial action had already been undertaken to implement the recommendations set out in the SIAS report. Officers were asked to report back in a years time on the further progress made with regard to the implementation of the recommendations. This report provides that update.

2.0 Report

- 2.1 Subsequent to the initial report, SIAS have prepared their own follow up report on the matter. This was tabled at the 18 September 2013 meeting of the Committee. The SIAS update is attached to this report as **Essential Reference Paper “B”** of the report now submitted. In addition, the Council’s Risk Manager has also compiled a follow up summary based on the SIAS recommendations. That is attached as **Essential Reference Paper “C”**. Members will note that, in both cases the recommendations are confirmed as implemented and the matters are now closed.
- 2.2 The following represents further commentary on the recommendations:
- 2.3 The first recommendation related to the requirement to monitor spend on agreed works. This has been implemented through the provision of a quarterly update to Corporate Management Team (CMT) by the Head of Communications, Engagement and Culture.
- 2.4 The second recommendation covered a similar area but related to more historical agreements, where contributions had been held for 5 years or longer. Again, these are being identified through the quarterly update reports to CMT referred to above.
- 2.5 The third recommendation set out that the ‘clawback date’ (the date beyond which the developer could seek to recover financial contributions provided) should be identified more clearly on records used by Officers. That is now taking place.
- 2.6 The next recommendation related again to the matter of older agreements and the continued purpose of the financial contribution. As above, this is being addressed through the quarterly update for CMT.
- 2.7 It was recommended that Officer meetings should be held prior to the drawing together of legal agreements to identify the areas to be covered in them. Monthly meetings are now convened to deal with this matter.
- 2.8 The next area covered by recommendations was to require the completion of a procedure note to identify roles and responsibilities and to highlight the receipt of new financial

contributions. A procedure note has now been produced. In addition, part of the liaison meeting referred to 2.7 above, is set aside to consider new financial contributions that have been received.

- 2.9 A recommendation was set out in relation to the Council's monitoring fee and requiring that it is explicitly identified in the recommendations made to the Development Management (DM) Committee. This area is now checked in relation to each report coming forward to the Committee. The recommendation also covered a minor operational matter requiring separate identification of the monitoring clause in working records. That matter is now also addressed.
- 2.10 The next area of recommendation again referred to an operational matter, seeking that the working records are kept 'up to date' by the deletion of records where the financial contributions have either been spent, or are held by another organisation. The records are now retained in this way.
- 2.11 Recommendations also dealt with the need to ensure that spending officers are explicitly identified and recorded on the working records. Officers are identified through the quarterly CMT report and are recorded in the DM area working records when identified.
- 2.12 Lastly, it was recommended that an explicit accountancy code was identified for the receipt of monitoring fees. A unique code has now been established.
- 2.13 In many of the instances above, reference has been made to the quarterly update report provided to CMT. This takes the form of a spread sheet where financial contributions received are set out. Recommendations are put forward with regard to the appropriate use of the contributions and an officer to lead on the matter. Progress on each case can then be monitored at subsequent quarterly updates.

3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers - __SIAS report October 2012

Contact Member: Malcolm Alexander – Executive Member for
Community safety and Environment
malcolm.alexander@eastherts.gov.uk

Contact Officer: Kevin Steptoe – Head of Planning and Building
Control
Contact Tel No: 01992 531407
kevin.steptoe@eastherts.gov.uk