

VFM Review of Postage 2014/15**Issued 23 October 2014**

Opinion: Control Framework – Good
Compliance with Framework – Good

The purpose of this review was to carry out a value for money exercise of the Council's postal services in order to provide an assurance regarding fitness for purpose in delivering a cost effective and efficient service. This review was specifically requested by Members of the Audit Committee at the meeting of 18th March 2014.

The review was undertaken in accordance with the key value for money principles and approach of Economy, Efficiency and Effectiveness in delivering a quality service that is fit for purpose in meeting service requirements.

To this effect, the following key risks and controls were examined:

- 1) Risk that the Council may not monitor and analyse it's usage of postage stationery (envelopes) and procure accordingly.
- 2) Risk that the Council may have unnecessary stock levels of postage items encouraging inefficient usage.
- 3) Risk that the Council may not use the most effective means of communicating with relevant parties.
- 4) Risk that the Council may not use the postal stationery economically in fulfilling its responsibilities.
- 5) Risk that the Council may not be using the most cost effective methods of communicating with stakeholders or third parties and may be over reliant in postal services.

Audit testing results indicated that controls were fully met regarding all five of the areas covered.

The opinion of the auditor is that the framework in place to achieve economy, efficiency and effectiveness is "good". Additionally, the implementation of controls to ensure achievement of cost-effectiveness is also "good". This meant that in addition to the high level of control framework in place, compliance with the framework was also effective in providing good value for money for the Council. To this effect, no further recommendations were necessary; as it was felt further proposals would not be cost effective.

Review of Building Control 2014/15**Issued 23 October 2014**

Opinion: Control Framework – Good
Compliance with Framework – Good

The purpose of this review was to provide an assurance regarding the effectiveness of the arrangements in place established for the management of the Council's Building Control Service. Key areas examined were service compliance with relevant legislation and the efficiency of service delivery.

To this effect, the following key risks and controls were examined:

- 1) Risk that the Council may not comply with relevant legislation (including governance arrangements), policies of good practice.
- 2) Risk that Building Control literature and guidance may not be clear or detailed for the public.
- 3) Risk that procedures may not be sufficient to deal with the checking of applications/appeals.
- 4) Risk that fee levels may not be reviewed or set appropriately.
- 5) Risk that Building Control activity timetable, deadlines and milestones may not be met.
- 6) Risk that sufficient measures may not be in place to deal with Building Control complaints and/or contraventions.
- 7) Risk that income records may not be sufficient to ascertain whether fees have been correctly received (before site visits etc.)
- 8) Risk that fraud and corruption may be undetected.
- 9) Risk that opportunities to achieve or demonstrate efficiency or value for money may not be maximised.
- 10) Risk assessments may not be undertaken and risks not adequately managed.

Audit testing results indicated that:

- In relation to the Control Framework, controls were fully met for all 10 of the risks examined.
- In relation to the effectiveness of the framework, controls were fully met for eight of the risks examined, while two (risk 1 and risk 3) was partially met.

The opinion of the auditor was that the control framework was "good". This meant that a high level of control framework is in place to ensure the achievement of service objectives, good corporate governance and to protect the Council against foreseeable risks. The effectiveness of the control framework was also "good"

Two recommendations were agreed with Management to address the area where controls were partially met. This relates to risk 1 and risk 3 respectively.

- Ensure that receipt numbers are recorded on all applications to establish an effective audit trail between the main accounting system and uniform system.
- Ensure that the Street naming policy is approved, and relevant procedures are updated in line with changes/additions, it is version controlled and has a next date review.

Members will be advised of the progress in implementing these recommendations in due course.

Review of Markets 2014/15

Issued 24 November 2014

Opinion: Control Framework – Good (Previous year – N/A)
Compliance with Framework – Good (Previous year – N/A)

The purpose of this review was to provide an assurance regarding the effectiveness of the arrangements in place for the management of the Council's markets, including the proposed changes for the administration of the Council's markets. To this effect, the following key risks and controls were examined:

- 1) Risk that the Council may not comply with relevant legislation, policy or good practice.
- 2) Risk that the proposed changes to the market service and the associated risks are not actioned or implemented.
- 3) Risk that the licence agreements are not clearly documented and may not adequately reflect the Council's requirements or objectives.
- 4) Risk that there is insufficient arrangements to ensure that the markets operate in accordance with agreements.
- 5) Risk that all income due to the council may not be received.
- 6) Risk of fraud and/or corruption.
- 7) Risk that opportunities to demonstrate efficiency or VFM may not be maximised and in particular the proposed changes may not generate VFM benefits.
- 8) Risk assessments may not be adequately undertaken and risks not adequately managed.

Audit testing results indicated that controls were fully met in five of the aspects examined, whilst three aspects were partially met in relation to compliance. (Risks 1, 4 and 8).

The opinion of the auditor was that the framework of controls for the SDC markets system was "good". Additionally, compliance with the framework was also found to be "good". This meant that a high level of control framework was in place to ensure the achievement of service objectives, good corporate governance and to protect the Council against foreseeable risks. There was evidence that the framework of controls were

substantially being complied with and the risk management process was considered to be good. Only minor errors or omissions were identified.

The following three recommendations were agreed with Management to address the areas where controls were partially met. These relate to risks 1, 4 and 8.

- A copy of the Sevenoaks Town Council market trading rules and regulations should be on file to gain assurance the regulations ensure compliance with the licence agreement.
- Significant matters of discussion relating to the operation of the Sevenoaks High Street markets should be documented and retained on file. This will provide assurance that agreed actions have been recorded if at a later stage there are disputes or challenges on what action has been agreed.
- Appropriate risk assessments should be on file for the Sevenoaks High Street markets. The assessment should cover as a minimum, the following matters;
 - a) The Health & Safety Requirements
 - b) Fire Regulations
 - c) Public Liability Insurance.

Members will be advised of the progress in implementing these recommendations in due course.