

Summary of Audit Findings

The following are the Internal Audit reports, of each audit review finalised,
since the last Committee update

Section 106s – Final Report – April 2025

Audit Objective

To provide assurance on the effectiveness of the Council's Section 106 arrangements.

Executive Summary



Assurance Opinion

The review highlighted a generally sound system of governance, risk management and control in place. We identified some issues, non-compliance or scope for improvement which may put at risk the achievement of objectives in the area audited.

Management Actions

Priority 1	0
Priority 2	3
Priority 3	1
Total	4

Organisational Risk Assessment

High

Our audit work includes areas that we consider have a high organisational risk and potential significant impact.

NB: The Key Conclusions below are a reflection of the audit at the time of fieldwork: March – July 2024.

This audit commenced prior to the Planning Service returning to the Council and was completed and agreed with 'Publica' Officers after the transition. However, after transition the Council appointed its own officers, who have needed time to review the findings, hence the delay in formally reporting. We have been advised of changes to working practices which we will assess in a follow-up audit in 2025/26 along with progress on the implementation of the actions.

Key Conclusions



Roles, responsibilities, and processes not clearly understood by all officers and external stakeholders. Multiple departments are involved in the S106 process. Officers are aware of their own roles in the process but are less aware of the process as a whole and the roles of others. Additional training and a simplified flowchart with links to the various legal requirements would create a solid foundation on which relevant controls are maintained. The Council could consider establishing a project approach to achieve this outcome.



A review of engagement with the S106 consultation process is required. Consultation timeframes for planning applications are statutory and set nationally. Training for officers and external stakeholders will ensure all consultees are identified, well informed and understand how to make responses in relation to S106 which meet the legal tests to maximise contributions for the local community. Whether internal or external, it is the consultee's responsibility to respond. However, Planning Officers should follow-up with consultees to optimise responses. Town and Parish Councils could benefit from information in respect of S106s being made available on dedicated pages of the CDC website.



Monitoring processes for non-financial clauses are insufficient. Non-Financial clauses involve Flood Defences, Affordable Housing, Open Spaces, Leisure and Community facilities. A process for monitoring non-financial contributions has not been established. The Council should consider pro-active monitoring of sites, which will require specialist resources, to ensure developers deliver on their agreed obligations.

Audit Scope

We conducted a comprehensive review of the following areas of Section 106 (S106):

- Governance, oversight, and processes for each element of S106, including pre-application advice, consultation, negotiation, legal instruction, monitoring, reporting, and reconciliation.
- The systems used to manage S106, specifically Exacom and Uniform.
- Staff understanding of the S106 process.

Our methodology included walkthroughs and discussions with officers responsible for various parts of the process, with evidence gathered to support their statements.



Improvements to S106 contribution management required. S106 agreements are in some instances required to make a development permissible by securing developer contributions for infrastructure requirements. Contributed funds are actively monitored by the S106 Team and required to be reported annually through an Infrastructure Funding Statement (IFS). The agreements often have dates by which the funds must be spent (e.g. within 10 years) and must be spent in line with the requirements set out in the relevant agreement. Our review has identified that some S106 funds have not been spent within the required timeframes, but these are mainly due to external factors. A risk-based approach to explore whether blockers to infrastructure spend can be mitigated could be adopted.



Officers proved knowledgeable on S106 legislation, and a team has been established to actively manage income and expenditure, and to monitor non-financial conditions (albeit they do not enforce them). The Infrastructure Funding Statement (IFS) is published annually as required.

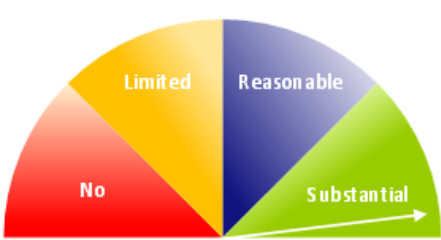
Additionally, we conducted two surveys to gain further insights into the S106 process, and we performed sample testing and data analytics to develop our findings.


Other Relevant Information

Biodiversity Net Gain (BNG) requirements have recently been introduced for planning authorities. It is acknowledged that this is going to increase demand on services, although the extent of the increase is unclear at this stage. The Council should consider how the different services involved will be impacted and whether additional support is required. BNG S106 agreements will allow the Council to collect monitoring fees to ensure developers comply with BNG legislation / obligations identified in agreements. This funding could be utilised to resource pro-active monitoring.

Accounts Payable – Final Report – June 2025

Audit Objective To identify potential duplicate payments, summarise, and present to the AP team for remedial action.

Executive Summary				
	Assurance Opinion		Management Actions	
	The review confirmed a sound system of governance, risk management and control, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.		Organisational Risk Assessment	
			Low	
			Our audit work includes areas that we consider have a low organisational risk and potential impact.	
		Priority 1	0	
		Priority 2	0	
		Priority 3	0	
		Total	0	

Key Conclusions		Audit Scope
	Accounts Payable (AP) use Business World to process payments on behalf of partner organisations and Councils. We used BW to generate AP reports capturing payments to suppliers for the full financial year starting 1 st April 2024 until 31 st March 2025.	Our review covers the full 2024/25 Financial Year. We check for potential duplicate payments at Councils and organisations hosted on Business World. Findings have been summarised and reported to the Accounts Payable team throughout the year, for further review and remedial action where necessary.
	A total of 176,692 lines of transactional data was analysed. We cleansed the data and applied conditional formatting to highlight potential duplicate transactions. These transactions were inspected to establish whether mitigating circumstances could be identified (e.g. credit note). 73 suspected duplicates with a potential overpayment value of £37,340.55 were forwarded to the AP team for further investigation. This represents 0.0175% of total payments analysed.	
	At the time of writing this report, AP are managing 9 unresolved payments totalling £13,137.67. We will continue to monitor these transactions through to resolution.	

Next Steps
AP continue to work with officers and suppliers to rectify the unresolved duplicate transactions. Our AP continuous duplicate payment analysis will continue into 2025/26.

