

**FINANCE DEPARTMENT – INTERNAL AUDIT SECTION**  
**SECTION 106 AGREEMENTS**  
**MANAGEMENT ACTION PLAN 2014/15**

| REPORT REF | RECOMMENDATION  | CLASS (HR, MR,LR, GP) | AGREED ACTION/ COMMENTS                       | RESPONSIBILITY FOR IMPLEMENTATION | ACTION  |
|------------|---|-----------------------|---|-----------------------------------|---|
| 2.1        | <p><u>Policies and Procedures</u></p> <p>c) In line with planning obligations a public register of Section 106 Agreements should be made available as soon as possible.</p> | LR                    | Agreed – web based approach to be considered. | Ryan Thomas/Richard Jones         | All S106 Agreements are registered as local land charges and are available for public inspection in accordance with the requirements of Welsh Office Circular 13/97. A register of Section 106 Agreements signed since May 2008 has been placed on the Planning Web Site. This will be updated quarterly. |

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| <p>2.2</p> <p>2.2.1</p> | <p><u>Applications</u></p> <p>Case Files</p> <p>c)</p> <p>All files and records should be efficiently stored on the system. All details of the location of files should be adequately recorded by the system with records detailing who has had access to files and when. The records should also detail when a file has been returned to the main storage. Alternatively due to the efficiency of the IDOX system consideration should be given to the storage of all records and files on the system.</p> | <p>HR</p>             | <p>Agreed – all files are now stored electronically on IDOX. The section is also in the process of back-scanning documents going back 5 years.</p> | <p>Ryan Thomas/Richard Jones</p>  | <p>c)</p> <p>Since the introduction of the Idox Documents Management System in August 2013 all documents associated with new applications have been held electronically. Planning applications received since 2007, and decision notices, are held electronically with all associated documents also held in paper format. Approximately 50,000 historic paper files are held in achieve storage with a combination of paper and microfiche for applications received between 1989 and 1948.</p> |

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|  |  |  |  |  | <p>Historic files are in the process of being back scanned as resources allow.</p> <p>All files are retrieved and returned by staff in the Business Support Team. An Excel based system is being trialed to record the location of historic archive files.</p> |
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| 2.2 cont'd | <p data-bbox="360 400 719 432">2.2.2 Database Records</p> <p data-bbox="472 475 904 647">b) In order to use the database to its full potential all details of Section 106 Agreements should be entered onto the database in good time.</p> <p data-bbox="472 691 898 831">c) An independent check should be made periodically to confirm that the Section 106 database is up to date</p> | <p data-bbox="965 475 1021 507">MR</p> <p data-bbox="965 691 1021 722">MR</p> | <p data-bbox="1077 475 1323 576">Agreed – internal procedures to be finalised.</p> <p data-bbox="1077 691 1339 722">Agreed – as above</p> | <p data-bbox="1413 475 1608 576">Richard Jones/Nathan Evans</p> <p data-bbox="1413 691 1608 791">Richard Jones/Nathan Evans</p> | <p data-bbox="1682 400 1973 1046">b)<br/>The S106 data base has been populated for applications dating back to May 2008. A procedure has been drafted and the system is being trialed to ensure details are entered onto the database when the decision notice is issued following notification by Legal that S106 Agreement has been signed.</p> <p data-bbox="1682 1090 1973 1366">c)<br/>An independent check of the details will be carried out on a quarterly basis when the online S106 Register is updated.</p> |

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| 2.3 cont'd<br><br>2.3.2 | <p>Financial Contributions and Trigger Points</p> <p>b)</p> <p>iii. In order to enable the efficient cross checking of details between the Section 106 database and the General Ledger, a common reference should be used across both systems.</p> <p>c) In order to ensure compliance with Section 106 Agreement i.e. income contributions are received and expenditure is made in accordance with the agreements, a periodic reconciliation between the details held on the database and the Agreements should be carried out by the Planning Control Section. In order to ensure a segregation of duties the reconciliation should be carried out independently of the person inputting the information onto the database.</p> | <p>GP</p> <p>MR</p>   | <p>Agreed – a process involving all relevant bodies i.e. Legal, Finance and Planning to be agreed.</p> <p>Agreed</p> | <p>Ryan Thomas/Richard Jones</p> <p>Ryan Thomas/Richard Jones</p> | <p>b) The application number will be referenced in the “optional description” field upon receipt of payment and will appear in the Ledger. This will be trialed upon receipt of the next S106 payment.</p> <p>c) An independent check of the details will be carried out on a quarterly basis when the online S106 Register is updated.</p> |

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| 2.4        | <p><u>Monitoring of Agreements</u></p> <p>A system should be put into place to ensure that the terms and conditions of Section 106 Agreements are complied with including the payment of contributions and any subsequent expenditure made. Ideally any monitoring of contributions and work carried out should be carried out by the Planning Control Section due to their familiarity with such Agreements. However, if this is not possible it should be ensured that the system provides for relevant and up to date information to be reported to the Planning Control Section in order for the information to be promptly recorded on the Section 106 database.</p> | HR                    | Agreed – internal procedures to be defined. | Ryan Thomas/Richard Jones         | A process has been drafted and will be trialed upon receipt of the next S106 payment. S106 contributions will be received by Planning Services, entered onto the S106 database legal, finance and the relevant Service Area notified. All requests for payment to Service Areas will be authorised by Planning Services, entered onto the database, legal and finance notified. |

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| 2.5        | <p><u>Completion Reports</u></p> <p>In line with best practice post completion reports and an annual report for Planning Committee should be produced to gauge the effectiveness of the system.</p> | LR                    | Agreed – report format to be defined and agreed.                 | Ryan Thomas/Richard Jones         | <p>The HLA/S106 database has the capacity to facilitate the production of post completion reports which will be completed on a quarterly basis when the online S106 Register is updated. Annual reports on the performance of the Planning Service are presented to Planning Committee and will include S106 issues.</p> <p>The database is password protected and backed up as part of the Authority's corporate backup routine.</p> |
| 2.7        | <p><u>I.T. Controls</u></p> <p>b) The database should be held in a mode which prevents any amendments to the system either intentional or otherwise.</p>  | LR                    | Agreed – to approach the software supplier for further guidance. | Ryan Thomas/Richard Jones         |   |

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| 2.8        | <p><u>Community Infrastructure Levy</u></p> <p>a) In line with 2.4 above, any system introduced as part of the monitoring process for Section 106 Agreements should also take into account the forthcoming CIL levy to ensure that all contributions are collected and spent correctly.</p> | LR                    | Agreed                  | Ryan Thomas/Richard Jones         | The S106 database has the capacity to monitor S106 Agreements and CIL. CIL cannot be introduced until after the adoption of the LDP in 2017. |