

TEESDALE DISTRICT COUNCIL

INTERNAL AUDIT SERVICE

INTERNAL AUDIT REPORT

REPORT ON:	Planning
AGREED WITH:	Maria Ferguson

CONTENTS

Section

Introduction	1
Executive Summary	2
Risk Assessment of Weaknesses	4
Action Plan	5

Auditor:
Date Issued:

Rachael Bainbridge
13-02-2008

AUDIT REPORT BY THE INTERNAL AUDIT SERVICE

1.0 INTRODUCTION

- 1.1 The audit examined the management of the planning process.
- 1.2 The audit work was undertaken during October 2007.
- 1.3 It should be noted that the establishment of adequate control systems is the responsibility of management, and that an internal audit review is conducted on a test basis and cannot therefore review every transaction. Thus, while the implementation of internal audit recommendations can reduce risk, and may lead to the strengthening of these systems of control, responsibility for the management of these risks remains with the service manager.

2.0 EXECUTIVE SUMMARY

The controls in place to manage the planning systems are generally sound. There were some weaknesses identified in the management of income specifically around the actual banking of income received and the reconciliation of income. There were recommendations made to help ease the pressures within the section specifically removing the need to hold two registers containing the same information. The other area of concern was around the clear documentation of declarations of interest.

OPINION

The overall audit opinion of the current systems for Planning is that they are **satisfactory**.

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4.0 RISK ASSESSMENT OF WEAKNESSES

Finding Reference	Risk	Probability Score	Probability Commentary	Impact Score	Impact Commentary	Overall Score
3.3	Validation Officer may not know how to deal with incomplete online applications due to lack of procedure being in place. Applicant may have to complete whole application again online.	3	It is probable that this could occur occasionally.	1	This could cause annoyance to the applicant however it would have very minimal impact to service delivery and very little financial impact.	3
3.9	Duplication of effort in recording of planning applications.	5	It is probable that this occurs everyday or each time an application is received by post or in person from Customer Services.	2	Although this will happen regularly the impact is somewhat low due to the short amount of time per day the recording of the applications will take.	10
3.20.2 / 3.21	Amount of income banked could differ to required application amount.		As no independent check of income banked to application register and receipt book takes place there is a potential risk that issues may not be identified at an early stage.	3	Could potentially result in significant financial loss.	9
	Amount of 'other income' banked could differ to amount stated in receipt book.	3				
3.22 / 3.22.2	Banked amount could potentially be recorded incorrectly on authorities FIS – Agresso.	3	As no check is currently in place the probability of this is somewhat significant.	1	Would have a minimal financial impact as would eventually be picked up by Exchequer Services through the bank reconciliation; however this check should be completed by Planning to ensure the ledger is correct at any point in time.	3
3.23 / 3.23.1 / 3.38	Banking is not undertaken in a prompt manner and/or securely stored.	5	Although this has improved in October 2007 irregular banking has happened frequently prior to this month.	2	Could result in some financial loss due to potentially lost interest income and possible adverse publicity.	10
3.30 / 3.30.1	Risk that applicants/general public may perceive that officers who have an	4	Records of interest have not been found on file – is	4	Could result in adverse local publicity and loss of	16

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3.9	Duplication of effort in recording of planning applications. interest in an application may have influenced the decision.	5	It is probable that this occurs everyday or each time an application is received by post or in person from Customer Services. trusted that the officer concerned will not be involved in the decision making process, but not noted to that effect.	2	Although this will happen regularly the impact is somewhat low due to the short amount of time per day the recording of the applications will take. reputation/confidence.	10
3.31.1	Same person entering application details on system as processes application.	2	Has happened in the past due to staffing difficulties.	1	Minimal impact would be sustained.	2
3.36.2	Applicant may be confused as to reason why monies were refunded.	2	Has happened on one occasion this financial year to date (07/08).	1	Unlikely to cause adverse publicity.	2
3.38	Loss of income.	3	Fairly likely to occur as income is kept in a locked drawer (rather than a safe) for up to 7 days or more, and Customer Services leave income in pigeon hole until it is retrieved by Planning Staff which happens somewhat regularly.	3	Again there is a potential for monies to be lost from pigeon hole and locked drawer is not the most secure way of holding income until banked.	9
3.27	Performance of the service does not meet the expectations of service users and the authority	4	Service currently not meeting targets set.	5	The service will not be meeting its primary objectives of delivering value for money to its customers	20

AUDIT REPORT BY THE INTERNAL AUDIT SERVICE

5.0 ACTION PLAN

	Recommendation	Ranking	See Para	Management Response	To be actioned by:	
					Name	Date
5.1	Firm up Validation Procedure to give clear guidelines to Validation Officer on how to deal with incomplete online applications. Look at importing the application and obtaining the missing details from the applicant rather than rejecting the whole application and asking the applicant to re-do the whole online application.	3 (Useful)	3.3	Validation procedure will be amended to reflect how it is carried out now. On-line applications are however already imported and held for a week (recommended by Planning Portal) and I am reluctant for operational reasons to keep them longer. Planning portal offers the facility to save the application made.	MF	1/5/08
5.2	Cease recording of applications received through post on application register as portal applications are not recorded in this manner and information held is duplication of information held on DLGS system.	10 (Important)	3.9	Agreed.	MF	10/2/08
5.3	Ensure independent check (i.e. independent from Administration Officer) of income banked to application register is put in place.	9 (Important)	3.20.2	Agreed	LF	1/3/08
5.4	Ensure that reconciliations to the Financial Information System (Agresso) is carried out regularly by an independent employee (i.e. other than the Administration Officer) and that the record has been signed to show agreement.	3 (Useful)	3.22 / 3.22.2	Agreed	LF	1/6/08
5.5	Review income collection and banking arrangements to ensure fees are not held in the Planning Section longer than necessary and that income is stored securely at all times (i.e. put in safe, if not being banked that day).	10 (Important)	3.23 / 3.23.1 / 3.38	Agreed – will bank daily.	LF	10/2/08

AUDIT REPORT BY THE INTERNAL AUDIT SERVICE

Recommendation		Ranking	See Para	Management Response	To be actioned by: Name Date	
5.6	<p>Officers to declare their interest in any application in writing and the declaration to be noted in the application file and on DLGS system if possible.</p> <p>Decision Notices signature to be amended to Maria Ferguson, Development Control Manager when decisions are delegated and made by Maria, (i.e. when an officer declares an interest).</p> <p>Additionally, Internal Audit would suggest that consideration should be given to ensuring where there has been a declaration made by planning staff the decision is made by the planning committee rather than by officers under delegated powers in order to protect the authority and planning officers from possible accusations of being biased.</p>	16 (Essential)	3.30 / 3.30.1	<p>Agreed. This is a requirement of the code of practice and should always be carried out</p> <p>Best practice indicates that this should be Director level.</p> <p>I disagree, since this potentially prejudices applicants.</p>	MF	10/2/08
5.7	Require clear separation of duties – one person to enter details, one to process the application and one to make the decision. I understand that a Growth Bid has been submitted for additional staff to remedy this area.	2 (Useful)	3.31.1	This is accepted. However, there are limited staff to enable this to take place in entirety at present. Will review validation procedure. However, the person processing the application never makes the final decision (for example, Maria Ferguson's recommendations are always determined by Trevor Watson and in his absence or if he has an interest, Planning Committee). Await outcome of growth bid.	MF	1/6/08
5.8	Send supporting letter to explain why monies are refunded.	2 (Useful)	3.36.2	Agreed.	LF	10/2/08
5.9	Performance should continue to be monitored and actions put in place to meet targets.	20 (Essential)	3.27	Agreed – work in progress	MF	Ongoing