## Veritau
### Assurance Services for the Public Sector

# Development Management

# City of York Council

# Internal Audit Report 2016/17

Business Unit:  Economy and Place
Responsible Officer:  Assistant Director (Planning & Public Protection)
Service Manager:  Head of Development Services and Regeneration
Date Issued: 7 November 2017
Status: Final
Reference: 10460/002

|  | P1 | P2 | P3 |
|---|---|---|---|
| **Actions** | 0 | 1 | 2 |
| **Overall Audit Opinion** | Reasonable Assurance | | |

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# Summary and Overall Conclusions

## Introduction

The Development Management service is a statutory function which deals with all planning proposals, appeals and enforcement cases within the council area.

In 2013 a significant change was made to the operations of the department with the support services team being moved in to the council's new Business Support Hub at West Offices.

A number of different planning applications are received into the service each year (last year over 1,800). Together with other types of submission the number of cases processed by Development Management is approximately 3,000. These applications are entered onto the back office system, Uniform and a plans folder is created and passed to a member of the Development Management team. At various points in the life cycle of an application documents are scanned and attached to the electronic case file. The plans file is physically passed between the Business Support Hub and officers during the application or appeal process. It is therefore key that this change is well managed between the departments.

## Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within Development Management will ensure that:
- Planning applications were processed through to a decision in accordance with the council's policies and government legislation
- Complaints and enforcement work were recorded, monitored and followed up by appropriate officers
- Effective Quality Assurance arrangements were in place

## Key Findings

The Development Management process is carried out by two departments; Development Management and the Business Support Hub. The two departments need to work together to ensure that the high numbers of applications received are processed accurately within the respective time periods. Whilst there were no significant issues found within the application through to a decision process, a number of small improvements were identified which have been discussed with the departments.

Quality Assurance work is carried out by Senior Officers within the Development Management team with all applications being reviewed before the decision notice is released to the applicant or their representative. However the level of evidence to support these checks may not be robust enough to support the department in the event that the application is challenged.

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Enforcement action is taken by the Council however the recording of this information through the system found gaps in the processing of information.

## Overall Conclusions

The arrangements for managing risk were satisfactory with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made. Our overall opinion of the controls within the system at the time of the audit was that they provided Reasonable Assurance.

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# 1 Quality Assurance Arrangements

| Issue/Control Weakness | Risk |
|---|---|
| The department does carry out review checks but they are not sufficiently evidenced so that if they were challenged, they could provide details without additional rework. | The department may not be able to provide evidence to support robust challenges to planning applications. |

## Findings

The department has a number of quality assurance arrangements in place for the planning applications processed by development officers. These reviews are carried out after the development officer has completed their work and prior to any decision being issued. A senior officer will review the application and officer's report. If all is in order, the senior officer will acknowledge that the decision can be issued via email to the Business Support Hub.

Evidence to support these reviews was limited. Whilst the audit confirmed that a senior officer had authorised the issuing of the decision to the applicant, there was little or no formal documentation of this process.

## Agreed Action 1.1

| | | |
|---|---|---|
| Worksheets will be altered to confirm that officers have undertaken checks and the email releasing the decision will include an instruction that confirms that the delegated decision has been made on behalf of the LPA and has been made in accordance with the report. | **Priority** | 3 |
| | **Responsible Officer** | Head of Development Services and Regeneration. |
| | **Timescale** | December 2017 |

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## 2  Enforcement Work and Monitoring

| Issue/Control Weakness | Risk |
|---|---|
| There are a number of cases on the Uniform system which have been inactive for a significant period of time leading to complainants not being notified of the outcome of any enforcement investigation

All enforcement cases can be found within the Enforcement Outlook Mailbox but not all cases had been logged onto the Uniform System. | The number of live enforcement cases is incorrect.

Breakdown in the relationship with members of the public leading to more correspondence into the department. |

### Findings

At the time the audit was carried out, there was a pressure on the recording of enforcement cases onto Uniform.  Business Support were reviewing the processes for the Enforcement Outlook Mailbox to ensure that there was a clear control process for logging all cases onto Uniform.

A review of the current enforcement cases (as reported to Members of the Area Planning Sub-Committee) showed that there were 615 enforcement cases that were pending consideration.  The oldest case on the report dated back to November 2001.  Audit testing confirmed that some of these cases should have been closed and were sitting in the wrong reporting category.  Whilst this may distort the number of open enforcement cases it also has an effect on the notifications sent to complainants as they are only processed once the enforcement case is closed.

It was also found that where the enforcement investigation concluded with the advice that the developer should submit a planning application to regulate a breach, there was no evidence to support that any subsequent follow up work had been undertaken to ensure that this action had been carried out.

### Agreed Action 2.1

| New Principal Development Management Officer (with responsibility for Enforcement) has been appointed and will be in post November 2017.  They will then undertake a comprehensive review of all cases and make a judgement on cases where it is no longer expedient to continue. | Priority | 2 |
|---|---|---|
| | Responsible Officer | Head of Development Services and Regeneration. |
| | Timescale | March 2018 |

## Agreed Action 2.2

Delegated powers given to Planning Enforcement Officers to close straightforward cases without reference to PDMO/DM will allow cases to be closed in a timelier manner. Will then trigger notifications to complainants.

Where an enforcement investigation has concluded that formal action is not expedient and the developer has been advised to regularise the breach through the submission of a planning application the enforcement case should be closed at that stage rather than when the application is submitted.

| | |
|---|---|
| **Priority** | 3 |
| **Responsible Officer** | Head of Development Services and Regeneration. |
| **Timescale** | March 2018 |

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# Audit Opinions and Priorities for Actions

| Audit Opinions |
| --- |
| Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit.<br><br>Our overall audit opinion is based on 5 grades of opinion, as set out below. |

| Opinion | Assessment of internal control |
| --- | --- |
| High Assurance | Overall, very good management of risk. An effective control environment appears to be in operation. |
| Substantial Assurance | Overall, good management of risk with few weaknesses identified.  An effective control environment is in operation but there is scope for further improvement in the areas identified. |
| Reasonable Assurance | Overall, satisfactory management of risk with a number of weaknesses identified.  An acceptable control environment is in operation but there are a number of improvements that could be made. |
| Limited Assurance | Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation. |
| No Assurance | Overall, there is a fundamental failure in control and risks are not being effectively managed.  A number of key areas require substantial improvement to protect the system from error and abuse. |

| Priorities for Actions | |
| --- | --- |
| Priority 1 | A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management. |
| Priority 2 | A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management. |
| Priority 3 | The system objectives are not exposed to significant risk, but the issue merits attention by management. |

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