

Implementation of Internal Audit Recommendations: Summary of Progress
Report by Head of Finance

Summary: This report updates members on progress in implementing Internal Audit recommendations arising out of audits carried out since 2015/16.

Recommendation: That the report be noted.

1 Introduction

- 1.1 It has been agreed that this Committee will receive a regular update of progress made in implementing Internal Audit report recommendations, focusing on outstanding recommendations and including timescales for completion of any outstanding work.
- 1.2 This report summarizes the current position regarding recommendations arising out of internal audit reports which have been produced since 2014/15 and 2015/16. It sets out in the appendix details of:
- recommendations not yet implemented;
 - recommendations not implemented at the time of the last meeting which have since been implemented: and
 - New recommendations since the last meeting.

2 Summary of Progress

- 2.1 In the previous report to this Committee in September all of the recommendations that fell due within that period had been completed. Consultation activities and partnership provisions actions have now been completed. Of the Corporate Governance and Risk Management actions a further one has now been completed with three still outstanding.

3 Internal Audit Programme 2015/16

- 3.1 The third audit from the 2015/16 programme is currently underway for Key Controls and the onsite work is expected to be completed by 12 February 2016. The recommendations from this audit will be reported to the next committee meeting in July 2016.

3.2 Planning

3.2.1 The last Planning Audit was undertaken in October 2011. This resulted in adequate assurance with two medium level recommendations being made, which have been subsequently implemented. The objective of the audit was to review the systems and controls in place for the Local Plan Preparation, Planning Applications, Enforcements and Appeals. This resulted in a “reasonable” audit opinion with two “important” recommendations (previously medium priority) and one “needs attention” recommendation (previously low priority) being raised. This is consistent with last review rating of “adequate”.

3.2.2 The audit identified areas for improvement relating to:

- Publication of Delegated decisions on the Broads Authority website is not correctly identified within the CAPs system. This could result in the public not being aware of planning decisions and being able to take action if they wish to;
- No checks being carried out to ensure the appropriate planning fee was received with the Finance system;
- The procedure manual had not received its review in January 2015 and did not include all of the planning processes.

3.2.3 Good practice was noted relating to controls in place around:

Separation of Duties

- The Broads Authority has a Scheme of Delegation, which allows delegated decisions to be made by designated officers. Any decisions which are outside of this must be referred to the Planning Committee for approval. All decisions made by delegated officers are reviewed and signed off by the Head of Planning or in her absence by the Director of Planning and Resources or the Chief Executive.

Local Plan

- A Core Strategy was adopted in 2007, Development Management Policies adopted in 2011 and the Site Specifics adopted in 2014. . It is now a requirement for a Local Plan to be produced. A timetable for the production of the Local Plan was presented to the Planning Committee in July 2015, which set dates for consultation, publication and final adoption which is scheduled for February 2018.

Planning Applications and Enforcements

- Planning applications may either be made via a portal on the Broads Authority web-site or by submission of a written application form. Application fees are present on the Broads Authority web-site and can also be viewed by a link to the Government’s web-site;
- A check list is maintained in the hard copy file identifying all of the documentation that will be required to support the application;

- Records of planning applications, subsequent decisions and enforcements are kept in both a hard copy file and maintained on the CAPS computer; and
- The Planning Committee is provided with quarterly statistics of the number of enforcement notices that have been.

Appeals

- The decision notice sent to the applicant has a section ‘notes relating to all other application refusal decisions’ clearly sets out the right of the applicant to appeal against the decision if they are not in agreement with; and
- Monthly and annual appeals reports listing the appeals received are presented to the Planning.

3.2.4 The two “important” recommendations have been implemented and the one “needs attention” recommendation remains outstanding but is still on target to be completed by the agreed date.

3.2.5 Details of all new recommendations and the Authority’s actions to date in response are set out in the appendix.

Background papers: None

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Broads Plan Objectives: None

Appendices: APPENDIX 1 – Summary of Actions / Responses to Internal Audit Recommendations 2014/15 - 2015/16

Summary of Actions / Responses to Internal Audit Recommendations 2014/15 - 2015/16

Consultation Activities and Partnership Provisions: January 2015

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
<p>3. Parish Forums are Consulted on Strategic Priorities Consideration should be given to increasing the Parish Forums participation in the setting of the Strategic Priorities by holding a joint meeting / workshop during the consultation period for the Parish Forums.</p>	<p>Medium</p>	<p>Director of Planning and Resources / Strategy and Projects Officer</p>	<p>Parish Forum (to which all Parishes will be invited) will be scheduled during the consultation period on the Strategic Priorities and will be highlighted as an agenda item. It is suggested that this be trialed for the consultation on the 2016-17 Strategic Priorities and the results reviewed to see whether it has resulted in increased participation.</p>	<p>By 01/01/2016</p> <p>When Reviewing Parish Forums at BA meeting on 11.07.15 Members agreed future forums should be more area based and specific issue led rather than covering generic issues. It was considered that there was unlikely to be any tangible benefit for a Parish Forum on generic Strategic Priorities. Hickling Forum in October 2015, was specifically on the Hickling Strategic Priority only</p> <p>In addition Strategic Priorities for 2014-15 are all longer term projects and are to be</p>

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				rolled forward into 2016-17 and therefore there was no need for a specific parish consultation on Strategic Priorities.
<p>4. Consultative Review Action Plan An evaluation of the effectiveness of the measures put in place to implement the Review of Consultative Arrangements recommendations should be carried out.</p>	Medium	Director of Planning and Resources / Strategy and Projects Officer	<p>A Review of the effectiveness of the measures put in place following the Consultative Review to be completed.</p> <p>Completed. Report to BA 22/01/16</p> <p>Broads Forum will be asked to review the effectiveness of the changes introduced to its procedures in November 2015.</p> <p>Completed. Report to Broads Forum 05/11/15</p>	By 01/03/2016

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Corporate Governance and Risk Management: June 2015

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
<p>1. Strategic Objectives Aligned with Risk Register The Strategic Risk Register should be directly linked to the Strategic Objectives and Annual Strategic Priorities, with a gap analysis completed.</p>	Low	Solicitor & Monitoring Officer	<p>Agreed in principle at the de-brief meeting by the Solicitor and Monitoring Officer on 12th May 2015.</p> <p>This recommendation will be reviewed by the Authority's Management Team before reporting back to the Financial Scrutiny and Audit Committee on 22nd September 2015 (updated to 9 February 2016) with an agreed way to implement this recommendation being adopted as soon as practicable thereafter.</p>	By 31/03/2016
<p>2. Scoring within the Risk Register The risk scoring mechanisms, mitigating actions and further necessary actions on the Strategic Risk Register should be reviewed for all risks, to ensure they are giving adequate assurance to reduce the residual risk scoring.</p>	Low	Solicitor & Monitoring Officer	<p>Agreed in principle at the de-brief meeting by the Solicitor and Monitoring Officer on 12th May 2015.</p> <p>This recommendation will be reviewed by the Authority's Management Team before</p>	By 31/03/2016

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			reporting back to the Financial Scrutiny and Audit Committee on 22nd September 2015 with an agreed way to implement this recommendation being adopted as soon as practicable thereafter.	
<p>3. Embedding Risk Management The Strategic Risk Register should be added as a standing agenda item for the Financial Scrutiny and Audit Committee.</p>	Low	Solicitor & Monitoring Officer	<p>Agreed in principle at the de-brief meeting by the Solicitor and Monitoring Officer on 12th May 2015.</p> <p>The Strategic Risk Register shall be added as a standing agenda item for the Financial Scrutiny and Audit Committee. This will be effective as of its first meeting of 2016, namely 9th February 2016.</p> <p>Completed, on this agenda.</p>	By 31/12/2015
<p>4. Communication of Documents All staff should be formally reminded to review the Code of Conduct and Code of Corporate Governance documents, to ensure that they remain compliant.</p>	Operational Effectiveness	Senior HR Advisor	<p>Agreed in principle at the de-brief meeting by the Solicitor and Monitoring Officer on 12th May 2015.</p> <p>As part of a review of this</p>	By 31/03/2016

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			Authority's HR policies, the recommendation to ensure that staff should be formally reminded to review the Code of Conduct and Code of Corporate Governance documents, to ensure that they remain compliant, will be implemented.	

Planning: October 2015

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
1. Publication of Delegated Decisions The selection system is reviewed to ensure that it correctly identifies all delegated decisions, for inclusion in monthly reports for publishing on the web-site. The public may not be aware of planning decisions made and therefore be unable to take any action e.g. to report a development that does not take place in accordance with that approved. This could result in later challenge of decisions and the Authority's procedures.	Important	Head of Planning	There is a 'safety net' additional process, but this has not been followed and the additional checks not applied. It is proposed to review this process and responsibility so that it remains within the planning team. Completed. A new process has been instigated, whereby the generated delegated decision report is cross checked against the weekly	By 31/12/2015

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			record of decision. This is now carried out within the planning team.	
<p>2. Receipt of appropriate planning fee Evidenced checks should be undertaken on a regular basis to confirm that all fee income that is due has been received, either through:</p> <ul style="list-style-type: none"> A. Recording of receipt numbers in the planning system, with verification of the income receipted upon sign off decision notices; and/or B. Independent reconciliation of expected planning income due to actual receipts in the financial management system on a periodic basis. <p>An application may be inadvertently processed without receipt of an application fee.</p>	Important	Head of Planning	<p>Option A is preferred – we can do this at validation stage and can check it at decision issuing.</p> <p>We can add a standard box to the validation form, so we can be sure and we can ask finance for a weekly list of income to planning codes.</p> <p>Completed. Finance provides a monthly report of all income received. The Finance system audit number is recorded on the validation form.</p>	By 31/12/2015
<p>3. Policy and Procedures The Procedure Manual is reviewed and updated so that it includes the processes that should be followed in respect of enforcements, appeals and the administration processes. Future review dates be adhered to for reviewing the procedures. If the</p>	Needs Attention	Head of Planning	<p>The draft enforcement plan has been produced and will be completed by the end of the financial year.</p> <p>Additional work on updating standard templates will be undertaken following the</p>	By 31/03/2016

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<p>procedures and processes are not clearly documented there is a risk that incorrect processes will be adopted. By documenting the procedures and processes it will lead to a clear understanding by staff and a standardized consistent approach.</p>			<p>system supervisor training.</p>	