



Dacorum Borough Council

Final Internal Audit Report

Planning

March 2019

This report has been prepared on the basis of the limitations set out on page 14.

CONFIDENTIAL

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Key Dates:

Date of fieldwork: January 2019

Date of draft report: January 2019

Receipt of responses: March 2019

Date of final report: March 2019

Status of our reports

This report ("Report") was prepared by Mazars LLP at the request of Dacorum Borough Council and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

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1. Executive Summary

1.1. Background

As part of the Internal Audit Programme for 2018/19, we have undertaken an audit of the Council's systems of internal control in respect of Planning.

The Council is responsible for deciding whether a development, anything from an extension on a residential property or the change in use of existing land to a new major commercial development, should go ahead. The Council does this in adherence to legislative requirements including the Town & County Planning (Development Management Procedure) (England) Order 2015. They will prepare local plans, determine planning applications and carry out enforcement against unauthorised development.

Audit were informed at the commencement of the fieldwork that the Planning section at the Council had commissioned a high-level review by the Planning Officers Society (POS) to evaluate what changes would be necessary or desirable to make the service fully fit for purpose over the next three to five years. A draft report from POS has been received by the Council that included forty nine separate recommendations for improvements to the Planning department. Audit paid due regard to the recommendations raised in this report and have not raised the same recommendations here.

1.2. Audit Objective and Scope

The overall objective of this audit was to provide assurance over the adequacy and effectiveness of current controls across the Planning department and provide guidance on how to improve the current controls going forward.

In summary, the scope covered the following areas:

- Policies, Procedures and Legislation;
- Planning Applications;
- Inspections and Enforcement;
- Planning Income; and
- Performance Management.

1.3. Summary Assessment

Our audit of the Council's internal controls operating over Planning found that whilst there is a basically sound system of internal control design, there are weaknesses in design which may place some of the system objectives at risk. There is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.

Our assessment in terms of the design of, and compliance with, the system of internal control covered is set out below:

Evaluation Assessment	Testing Assessment
Substantial	Substantial

Management should be aware that our internal audit work was performed according to UK Public Sector Internal Audit Standards (PSIAS), which are different from audits performed in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. Similarly, the assurance gradings provided in our internal audit report are not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board.

The classifications of our audit assessments and priority ratings definitions for our recommendations are set out in more detail in Appendix A, whilst further analysis of the control environment over Planning is shown in Section 3.

1.4. **Key Findings**

We have raised one Priority 1 recommendation, and five Priority 3 recommendations where we believe there is scope for improvement within the control environment. The recommendation raised has been set out below:

- Decision Making (Priority 1)
- Performance Management (Priority 3)
- Out of Date Documentation (Priority 3)
- Training (Priority 3)
- Public Register (Priority 3)
- Pro-active Enforcement (Priority 3)

Full details of the audit findings and recommendations are shown in Section 4 of the report.

1.5. **Management Response**

We received the management responses in a timely manner, and these have been included in the main body of the report.

1.6. **Acknowledgement**

We would like to take this opportunity to thank all staff involved for their time and co-operation during the course of this visit.

2. Scope of Assignment

2.1. Objective

The overall objective of this audit was to provide assurance that the systems of control in respect of Planning, with regards to the areas set out in section 2.3, are adequate and are being consistently applied.

2.2. Approach and Methodology

The following procedures were adopted to identify and assess risks and controls and thus enable us to recommend control improvements:

- Discussions with key members of staff to ascertain the nature of the systems in operation;
- Evaluation of the current systems of internal control through walk-through and other non- statistical sample testing;
- Identification of control weaknesses and potential process improvement opportunities;
- Discussion of our findings with management and further development of our recommendations; and
- Preparation and agreement of a draft report with the process owner.

2.3. Areas Covered

The audit was carried out to evaluate and test controls over the following areas:

Policies, Procedures and Legislation

All staff act consistently in compliance with legislative and management requirements, including the Planning Act 2008 and the Town and Country Planning Act 1990. The audit will confirm that the Council has a policy/procedure which documents processes to be followed to ensure compliance with legislation. Roles and responsibilities are clearly defined and training has been provided to relevant officers.

Planning Applications

Planning applications are processed in a consistent and timely manner in compliance with legislative and policy/procedure requirements. There is sufficient guidance available to the public on submitting a planning application and applications are made on official forms, supported by appropriate plans and that decision making processes/authority are clearly defined. A clearly defined system for recording and monitoring planning applications and the decision outcome is in place. A public register is maintained and updated promptly upon receipt of a planning application in accordance with statutory requirements. Moreover that where applicable, a Section 106 agreement has been signed by the Planning Authority and the applicant/developer.

Inspections and Enforcement

The audit will confirm that there is a process in place to inspect and take legal enforcement action against individuals/organisations who breach planning restrictions or undertake unauthorised development. The audit will confirm that enforcement notices are issued against unauthorised development. The audit will confirm that there is clear guidance available to the public for anonymously reporting potential planning breaches to the Planning Authority.

Planning Income

Planning applications are charged at the nationally set fee and where pre-application advice is provided, these charges are clearly stipulated in a charging policy. The audit will confirm that there are robust procedure for recording income, income reconciliation and banking arrangements in place. The audit will confirm that planning application decisions are not made before full, cleared payment has been received.

Performance Management

Performance Management information is accurate, complete, relevant, and timely to allow effective management decision making. Performance of the service is maximised and that any failure to fully achieve service objectives is identified and addressed.

3. Assessment of Control Environment

The following table sets out in summary the control objectives we have covered as part of this audit, our assessment of risk based on the adequacy of controls in place, the effectiveness of the controls tested and any resultant recommendations.

The classifications of our assessment of risk for the design and operation of controls are set out in more detail in Appendix A.

Control Objectives Assessed	Design of Controls	Operation of Controls	Recommendations Raised
Policies Procedures and Legislation			Recommendations 1 & 2
Planning Applications			Recommendations 3 & 4
Inspections and Enforcement			Recommendation 5
Planning Income			
Performance Management			Recommendation 6

The classifications of our assessment of risk for the design and operation of controls are set out in more detail in Appendix A.

4. Observations and Recommendations

Recommendation 1: Training (Priority 3)

Recommendation

Consideration should be given to maintaining records of the training sessions provided for officers within the planning department and maintaining records of attendance at the training. This would provide management with oversight of team engagement with training and also assist in ensuring staff are attending relevant training. It would also provide the opportunity to link training with individual performance management objectives.

Observation

The Planning procedures followed by the Council are reliant on individuals within the department maintaining their professional knowledge and awareness of changes in legislation that could impact upon their decision making. A variety of training sessions are provided to the department including both internal and external speakers on a variety of topics that range from Tree planning, a talk from the Environments Agency and a session on the Community Infrastructure Levy.

However, it was noted that no records are maintained of staff attendance at the training sessions provided and there is a risk that team members do not attend appropriate training sessions and therefore carry out their responsibilities incorrectly.

Responsibility

Group Manager, Development Management & Planning

Management response / deadline

I have considered this with the team, many officers are keeping their own separate log of their CPD including internal and external training courses attended. This is required in their log book submission to those wanting to be a chartered member of the RTPI and once a member it is a requirement of the RTPI to be able to prove continuous CPD when requested at random by the RTPI.

Our main training provider is Urban Design London and we have kept a log of officers who have attended these courses. However, we will now put this on a shared drive and open it to all courses and request officers to update this once they have attended a course. This will be helpful to see what skills we have in the team and who is keeping their CPD up to date.

Implemented

Recommendation 2: Out of Date & Missing Information (Priority 3)

<p>Recommendation</p> <p>The Local Enforcement Plan should be reviewed and updated.</p> <p>The Local Planning Application Requirements for the Council should be provided on the Planning Portal.</p>
<p>Observation</p> <p>The Local Enforcement Plan sets out the Council’s approach to reviewing any allegations of breaches to conditions set out in the planning permission granted and the enforcement action that it will carry out. It was noted that the plan was created in June 2013 and has not been reviewed or updated since. Whilst audit were informed legislation has not changed and content does remain relevant, it was noted that the new online electronic form for submitting allegations of planning permission breaches is not referred to and the address of the Council, to send in any allegations, has also changes since 2013 and therefore the Local Enforcement Plan requires a review and update.</p> <p>The Planning Portal is one of the ways in which a planning application can be submitted to the Council and the site provides detailed guidance to the applicant on the correct process to be followed. However, it was noted when selecting the Local Planning Application Requirements for Dacorum on the website that this documentation was not available for applicants.</p> <p>This brings a risk that the Council may be adopting incorrect and/or out-of-date practices and are not providing constituents with correct information on the planning application requirements, leading to resident dissatisfaction with the Planning Service being provided.</p>
<p>Responsibility</p> <p>Group Manager, Development Management & Planning</p>
<p>Management response / deadline</p> <p>The drafting of a new Local Enforcement Plan has already begun and will be reported to the relevant committees after the elections in June 2019. This would include SPEOSC, DMC, Cabinet and then Council.</p> <p>30 June 2019</p>

Recommendation 3: Decision Making (Priority 1)

<p>Recommendation</p> <p>The Acolaid case management system requires updating to ensure that no breaches of the scheme of delegation can occur.</p>
<p>Observation</p> <p>The Council’s Constitution states that only Team Leader, Group Manager, Assistant Director or Director can make the delegated decisions on Planning Applications. The decisions are recorded within the Acolaid system, this is a case management system which has a decision section. In line with the constitution, only the above individuals in the scheme of delegation should make the final decision, however it was found during testing that the section is unrestricted to other system users. Therefore there is no control that would prevent unauthorised officers from making decisions. Moreover the system has a drop down box to select the individual making the decision, therefore a user could select one of the delegated authorisers to make it appear that they had made that decision.</p> <p>Therefore, there is a risk that Planning Application decisions are not made in line with the Council’s constitution and there is no system functionality to confirm where this has taken place.</p>
<p>Responsibility</p> <p>Group Manager, Development Management & Planning</p>
<p>Management response / deadline</p> <p>I have escalated this to Idox our provider of Acolaid, who are looking into a solution on permissions and this will be part of our next monthly Idox maintenance days. This should be fixed within a month at an upcoming maintenance day.</p> <p>30 April 2019</p> <p>We are upgrading our back office system from Acolaid to Uniform and have a project team of 6 officers working on this, all who will be able to set up new users and restrict permissions from users. Uniform will go live in mid-September.</p> <p>30 September 2019</p>

Recommendation 4: Public Register (Priority 3)

<p>Recommendation</p> <p>A clear and consistent approach to the publication of documentation should be documented and then communicated to staff to ensure it is adhered to.</p>
<p>Observation</p> <p>The Council maintains a public register of its planning applications and these are published with the related documents that include – the application form, supporting information such as plans & drawings, the Planning Officers report and the decision notice issues.</p> <p>From a sample of 10 planning applications, audit testing found that seven of them did not have the Planning Officer report available.</p> <p>Audit was informed that the Planning Officer report is not a mandatory document that needs to be published, but it should be attached for transparency. However, it was noted that this approach to publication of the Officer report is not documented.</p> <p>When applications include a Section 106 agreement, these should be held on a public register alongside the other published documents stated above, however audit testing found from a sample of five, that one was not included on the website.</p> <p>There is risk that the Council are not adhering to statutory obligations in regards to publication of planning application and they are not carrying out a consistent approach to the publication of information.</p>
<p>Responsibility</p> <p>Group Manager, Development Management & Planning</p>
<p>Management response / deadline</p> <p>It seems there is an inconsistent approach when managers sign off a delegated cases, the delegated report should be changed from app and file, to officers report which then sends it to the website when an application is approved. I have reminded all managers of this. It is a similar situation with S106 legal agreements which again I have reminded case officers that all documents should be uploaded and redacted to the website.</p> <p>This change has now been implemented and will be monitored by a random sampling of 5 decisions each week.</p> <p>Implemented</p>

Recommendation 5: Enforcement (Priority 3)

<p>Recommendation</p> <p>The Council should consider carrying out pro-active enforcement activities as part of Enforcement operations.</p> <p>Management should prepare and review appropriate enforcement performance data to aid future decision making.</p>
<p>Observation</p> <p>The enforcement approach taken by the Council is a reactive only service where they carry out investigations when allegations of breaches of planning occur. No inspections are carried out after the completion of works to confirm adherence to the planning application that was granted. This increases the risk that there are frequent breaches of planning application that go unnoticed.</p> <p>One of the KPI's that is monitored by the Planning section is that the enforcement team are carrying out timely inspections once they are informed of an alleged breach and speed of response is set dependent on the priority of the breach that is reported. Whilst this is an indicator of Performance, there are other factors that would provide management with greater insight into how enforcement cases are being handled. For example there is no tracking of the types of resolution that the Enforcement Team are reaching from their investigations. If there are large numbers of one type this could indicate that the best course of action is not being considered.</p> <p>There is risk that management do not have relevant data to make informed decisions in regards to enforcement.</p>
<p>Responsibility</p> <p>Group Manager, Development Management & Planning</p>
<p>Management response / deadline</p> <p>The Councils Local Enforcement Plan sets out It is not an offence to carry out development without first obtaining planning permission for it. Section 73A of the Act specifically provides that a grant of planning permission may relate to development carried out before the date of application. This is known as a retrospective planning application and these are dealt with in the same way as any other planning application.</p> <p>If a development is not causing harm we should not be proactively targeting it just because the works have been carried out without planning permission, we should only be taking action where it is causing demonstrable harm, and hence this comes from complaints received from neighbours, not officers looking for unauthorised works on site visits. This website may be of interest which sets out that enforcement action should be taken in the public interest and I have included an extract below https://www.gov.uk/guidance/ensuring-effective-enforcement</p> <p style="padding-left: 40px;">Enforcement action should, be proportionate to the breach of planning control to which it relates and taken when it is expedient to do so. Where the balance of public interest lies will vary from case to case.</p> <p>We can pro-actively monitor larger sites which we can visibly see have implemented permission, e.g. a large scale development site with clear S106 head of terms requirements. For example, a new crossing provided at a certain point e.g. over 50 homes being constructed the Planning Enforcement Team will pro-actively manage this. This pro-active approach would be a positive change as there have been examples of infrastructure not being provided until later in a development than intended.</p> <p>Of course, it is important that all proposals are built properly and in accordance with plans. I would suggest that the relationship between Building Control and Enforcement is strengthened. When Building Control Officers are on site and recognise that a building is not</p>

being built appropriately they escalate this to the Planning Enforcement Team. This is an efficient use of resources as Building Control Officers are already completing visits on sites that have actually started to implement works. This has already happened on three cases in the past month. A Building Control Officer flagging up a potential early breach of planning permission is a helpful service to the homeowner.

Planning enforcement are also in the process of implementing a proactive process for dealing with breaches of advertisement control. Research is being undertaken to assess particular hot-spots where there are repeated offences from, for example, estate boards, generating regular complaints from members of the public. Through this assessment a Discontinuance Notice would be served in respect of these hot spots, in effecting preventing the display of boards, and all local estate agents informed of this measure. This would break the cycle of complaint, investigation, resolution (board removed), new complaint, etc. and would therefore free up resources to deal with other breaches of planning control. This work has already started.

In terms of tracking the type of resolutions this information is recorded for each case and therefore a report can be run that would provide management with this type of case data. The automatic production of these reports on a monthly / quarterly basis has been fed through to the Uniform project team and will be available from September 2019.

Recommendation 6: Performance Management (Priority 3)

<p>Recommendation</p> <p>The Action Plan (with 49 recommendations) from the Planning Officers Society review should have a clear timetable established for delivery, responsibilities for delivery clearly assigned and a clear reporting process to monitor the delivery of recommendations.</p>
<p>Observation</p> <p>As noted in the background section of this report, the Planning department appointed the Planning Officers Society (POS) to undertake a review to evaluate the set-up of the department and the way in which it was operating. 49 recommendations for ways in which improvements could be made by the planning department were made. It was noted by audit that a number of recommendations raised in the review were in reference to how performance is managed by the section through the use of appropriate KPI's and benchmarking of data.</p> <p>At the time of audit visit in January 2019, the Planning Team had begun to analyse the report findings and had drafted an action plan for the recommendations and begun to prioritise the recommendations, however this had not been fully completed.</p> <p>There is a risk that actions to improve service operations are not undertaken in a timely manner.</p>
<p>Responsibility</p> <p>Group Manager, Development Management & Planning Assistant Director, Planning Development and Regeneration</p>
<p>Management response / deadline</p> <p>The wider Planning Management Team has formulated the action plan. Team Leaders and Assistant Team Leaders have prioritised the actions. We are having an away day w/c 22 April to discuss this with the wider team and take these actions forward.</p> <p>These will be driven forward throughout 2019 and monitored by the Assistant Director for Planning Development, Regeneration, and Group Manager for Development Management and Planning.</p> <p>Any new KPIs will be monitored appropriately and reported via the relevant mechanisms (e.g. Rocket).</p>

Appendix A - Reporting Definitions

Audit assessment

In order to provide management with an assessment of the adequacy and effectiveness of their systems of internal control, the following definitions are used:

Level	Symbol	Evaluation Assessment	Testing Assessment
Full		There is a sound system of internal control designed to achieve the system objectives.	The controls are being consistently applied.
Substantial		Whilst there is a basically sound system of internal control design, there are weaknesses in design which may place some of the system objectives at risk.	There is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
Limited		Weaknesses in the system of internal control design are such as to put the system objectives at risk.	The level of non-compliance puts the system objectives at risk.
Nil		Control is generally weak leaving the system open to significant error or abuse.	Significant non-compliance with basic controls leaves the system open to error or abuse.

The assessment gradings provided here are not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board and as such the grading of 'Full' does not imply that there are no risks to the stated control objectives.

Grading of recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows:

Level	Definition
Priority 1	Recommendations which are fundamental to the system and upon which the organisation should take immediate action.
Priority 2	Recommendations which, although not fundamental to the system, provide scope for improvements to be made.
Priority 3	Recommendations concerning issues which are considered to be of a minor nature, but which nevertheless need to be addressed.
System Improvement Opportunity	Issues concerning potential opportunities for management to improve the operational efficiency and/or effectiveness of the system.

Appendix B - Staff Interviewed

The following personnel were consulted:

- James Doe Assistant Director
- Sara Whelan Group Manager – Development Management and Planning
- Philip Stanley Specialist Services (Planning) Team Leader
- Paul Newton Development Management Team Leader
- Fiona Bogle Business Support (Planning) Team Leader
- Emma Cooper Section 106 Monitoring Officer
- Louise Baldwin Section 106 Monitoring Officer
- Shona Russell Planning Registration Officer
- Rachel Marber Planning Registration Officer
- Cora Watson Enforcement Officer

We would like to thank the staff involved for their co-operation during the audit.

Appendix C - Statement of Responsibility

We take responsibility to Dacorum Borough Council for this report which is prepared since the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention while our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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