



Internal Audit Report
The Environment Service
Planning Applications Assignment No.15-18
February 2016

Final Report

Finance Division
Corporate and Democratic Services
Perth & Kinross Council
Blackfriars
Development Centre
North Port
Perth PH1 5LU

Internal Audit

“Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”. Public Sector Internal Auditing Standards (PSIAS)

On 27th March 2013, the Council’s Audit Committee approved the PSIAS as the relevant standard for its Internal Audit activity.

Background and Introduction

This audit was carried out as part of the audit plan for 2015/16, which was approved by the Audit Committee on 1 April 2015. Audit testing was carried out during January and February 2016.

The indicative scope was to provide assurance over arrangements in place within the planning applications process.

Development Management is the term used for the process of managing new development by granting or refusing planning permission and managing unauthorised developments using, when necessary, formal enforcement powers. The service offers pre-application advice as regards which policies, key issues and supporting information are applicable to a particular development proposal. The service also provides advice on whether or not a proposed development requires the submission of a planning application

Planning applications have been divided into different categories to ensure that they are dealt with in a way appropriate to their scale and complexity and to allow decisions to be taken at the most appropriate level. There are three categories allocated in the hierarchy of developments, national, major and local development.

National developments are described in the National Planning Framework (NPF3), a document prepared by the Scottish Government. There are currently no "national" category developments within the Perth and Kinross Council area.

Major developments are prescribed in The Town and Country Planning (Hierarchy of Developments) (Scotland) Regulations 2009.

Local developments being defined as developments which are neither national nor major developments.

Scope and Limitations

In order to arrive at an opinion on the achievement of the control objectives, the audit included interviews with staff from Development Management, Performance and Support and Strategy and Policy teams. The audit reviewed the arrangements in place for managing the planning applications process in respect of local applications. National and Major planning applications were outwith the scope of this audit as is planning enforcement, a review of which is being undertaken by the Scrutiny Committee.

Control Objectives and Opinions

This section describes the purpose of the audit and summarises the results. A ‘control objective’ is a management objective that requires the maintenance of

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adequate and effective internal controls to ensure that it is achieved. Each control objective has been given a rating describing, on the basis of the audit work done, the actual strength of the internal controls found to be in place. Areas of good or poor practice are described where appropriate.

Control Objective: To ensure the adequacy of the arrangements in place for managing the planning application process;	
<p>Auditor's Comments: Testing confirmed that there are comprehensive procedures in place and that they are being adhered to. Although the validation and professional assessment procedures are subject to regular review and updating the administration support procedures have not been updated recently.</p> <p>Testing confirmed that where applications are not delegated, appropriate procedures were followed with such applications being submitted to the Development Management Committee.</p> <p>There is evidence that the officers are aware of their responsibilities under the relevant planning legislation and adequate processes are in place to ensure they are aware of any changes in legislation.</p> <p>Staff are aware of their roles and responsibilities, with appropriate controls in place in respect of segregation of duties and authorisation. However although testing confirmed that there is an awareness of the process to be followed if a possible conflict of interest is identified, this process has not been formally documented.</p> <p>Staff were unaware of their responsibilities under the Bribery Act, but during the audit the service took steps to ensure that staff were aware of the Council's Bribery policy.</p>	
Strength of Internal Controls:	Moderately Strong

Control Objective: To ensure the adequacy of the arrangements in place for monitoring and reporting the planning application process	
<p>Auditor's Comments:</p> <p>Testing confirmed that the service is aware of their statutory duty regarding timescales. Team leaders monitor workloads and deadlines. The average time taken per application and the percentage determined within timescale is monitored on a monthly basis and discussed at team meetings.</p> <p>Council performance is measured against Scottish averages and in the year to 31 March 2015 householder development decision making timescales were above average for both indicators and non-householders were above average for one of the indicators. In the first two quarters of 2015/16 all indicators were above the Scottish average figures.</p> <p>Planning Authority Performance statistics are prepared quarterly by the Scottish Government based on the information provided by the council. The statistics for the period 1 April 2015 to 31 December 2015 were discussed at the Planning Policy and Practice Member/Officer Working Group in February 2016, however</p>	

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they have not been presented to the Enterprise and Infrastructure Committee. There is therefore scope to improve public reporting on planning performance.
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Strength of Internal Controls:

Moderately Strong

Management Action and Follow-Up

Responsibility for the maintenance of adequate and effective internal controls rests with management.

Where the audit has identified areas where a response by management is required, these are listed in Appendix 1, along with an indication of the importance of each 'action point'. Appendix 2 describes these action points in more detail, and records the action plan that has been developed by management in response to each point.

It is management's responsibility to ensure that the action plan presented in this report is achievable and appropriate to the circumstances. Where a decision is taken not to act in response to this report, it is the responsibility of management to assess and accept the risks arising from non-implementation.

Achievement of the action plan is monitored through Internal Audit's 'follow up' arrangements.

Management should ensure that the relevant risk profiles are reviewed and updated where necessary to take account of the contents of Internal Audit reports. The completeness of risk profiles will be examined as part of Internal Audit's normal planned work.

Acknowledgements

Internal Audit acknowledges with thanks the co-operation of staff within The environment Service's Planning and Development and Performance and Resources Services during this audit.

Feedback

Internal Audit welcomes feedback from management, in connection with this audit or with the Internal Audit service in general.

Distribution

This report has been distributed to:

B Malone, Chief Executive

J Valentine, Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development)

B Renton, Director (Environment)

D Littlejohn, Head of Planning and Development;

S Mackenzie, Head of Performance and Resources

J Symon, Head of Finance

N Brian, Development Quality Manager;

P Marshall, Strategy and Policy Manager

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A Condliffe, Applications Team Leader

B Stanford, Applications, Technical Support & Enforcement Team Leader

Keith McNamara, Head of Strategic Commissioning and Organisational Development

G Taylor, Head of Democratic Services;

P Dickson, Complaints & Governance Officer;

External Audit

Authorisation

The auditors for this assignment were J O'Connor and M Morrison. The supervising auditor was J Clark.

This report is authorised for issue:

Jacqueline Clark
Chief Internal Auditor
Date: 23 February 2016

Appendix 1: Summary of Action Points

No.	Action Point	Risk/Importance
1	Bribery & Corruption Policy	Medium
2	Conflict Of Interest Procedure	Low
3	Administrative Support Procedures	Low
4	Reporting on Planning Performance	Medium

Appendix 2: Action Plan

Action Point 1 - Bribery & Corruption Policy

At the time of the audit staff were unaware of this policy, however during the audit the team leader did issue staff with an e-mail asking them to familiarise themselves with the policy and ensure their adherence to it.

The policy has therefore not been included within the services procedures

Management Action Plan

Service to include Bribery & Corruption policy within their procedures

Importance:	Medium
Responsible Officer:	B Stanford, Team Leader
Lead Service:	The Environment Service
Date for Completion (Month / Year):	March 2016
Required Evidence of Completion:	Updated procedure on sharepoint

Auditor's Comments

Satisfactory

Action Point 2 - Conflict of Interest Procedure

Testing confirmed that there is an awareness of the process to be followed if a possible conflict of interest is identified, however this process has not been formally documented.

Management Action Plan

Service to document procedure to be followed if possible conflict of interest identified

Importance:	Low
Responsible Officer:	B Stanford, Team Leader,
Lead Service:	The Environment Service
Date for Completion (Month / Year):	March 2016
Required Evidence of Completion:	Updated procedure on sharepoint

Auditor's Comments

Satisfactory

Action Point 3 - Administrative Support Procedures

Testing confirmed that although the comprehensive procedures in place were being followed they would benefit from being updated as they have not been reviewed recently.

Management Action Plan

Support Officer will update procedures to ensure they reflect current good practise

Importance:	Low
Responsible Officer:	E Brodie, Support Officer, Planning & Regeneration
Lead Service:	The Environment Service
Date for Completion (Month / Year):	May 2016
Required Evidence of Completion:	Update procedures on sharepoint

Auditor's Comments

Satisfactory

Action Point 4 - Reporting on Planning Performance

The auditor noted that the Planning Performance Framework 12/13 was submitted to the Enterprise and Infrastructure Committee in April 2014 and the minutes stated that The Executive Director (Environment) be requested to provide a further report on the implementation of the improvement plan, along with feedback from the next Planning Performance Framework in a year's time.

The Planning Performance Framework for 13/14 and 14/15 have yet to be submitted to Committee.

Management Action Plan

The service will ensure that the most recent Planning Performance Framework will be submitted to Committee as soon as is appropriate.

Importance:	Medium
Responsible Officer:	Peter Marshall, Strategy & Policy Manager
Lead Service:	The Environment Service
Date for Completion (Month / Year):	June 2016
Required Evidence of Completion:	Extract from Committee paper

Auditor's Comments

Satisfactory