

# Carlisle City Council

## Report to Audit Committee

### Report details

Meeting Date:	08 July 2022
Portfolio:	Finance, Governance and Resources
Key Decision:	Not applicable
Policy and Budget Framework	YES
Public / Private	Public
Title:	INTERNAL AUDIT REPORT – DEVELOPMENT MANAGEMENT (COMPLAINTS)
Report of:	Corporate Director Finance & Resources
Report Number:	RD.13/22

### Purpose / Summary:

This report supplements the report considered on Internal Audit Progress 2021/22 and considers the review of Development Management (Complaints)

### Recommendations:

The Committee is requested to

- (i) receive the final audit report outlined in paragraph 1.1;

### Tracking

Executive:	Not applicable
Scrutiny:	Not applicable
Council:	Not applicable

## **1. Background**

- 1.1. An audit of Development Management (Complaints) was undertaken by Internal Audit in line with the agreed Internal Audit plan for 2021/22. The audit (Appendix A) provides reasonable assurances and includes 1 high and 1 medium-graded recommendations.

## **2. Risks**

- 2.1 Findings from the individual audits will be used to update risk scores within the audit universe. All audit recommendations will be retained on the register of outstanding recommendations until Internal Audit is satisfied the risk exposure is being managed.

## **3. Consultation**

- 3.1 Not applicable

## **4. Conclusion and reasons for recommendations**

- 4.1 The Committee is requested to  
i) receive the final audit report outlined in paragraph 1.1

## **5. Contribution to the Carlisle Plan Priorities**

- 5.1 To support the Council in maintaining an effective framework regarding governance, risk management and internal control which underpins the delivery the Council's corporate priorities and helps to ensure efficient use of Council resources

### **Contact details:**

Contact Officer: Michael Roper

Ext: 7520

### **Appendices attached to report:**

- **Internal Audit Report – Development Management (Complaints) – Appendix A**

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

### **Corporate Implications:**

Legal - In accordance with the terms of reference of the Audit Committee, Members must consider summaries of specific internal audit reports. This report fulfils that requirement

Property Services - None

Finance – Contained within report

Equality - None

Information Governance- None

# Audit of Development Management (Complaints)

Draft Report Issued: 20th April 2022  
Director Draft Issued: 24th May 2022  
Final Report Issued: 23<sup>rd</sup> June 2022



## Audit Report Distribution

<b>Client Lead:</b>	Head of Development Management Customer Services Manager
<b>Chief Officer:</b>	Corporate Director of Economic Development Chief Executive
<b>Audit Committee:</b>	The Audit Committee, which is due to be held on 8 <sup>th</sup> July 2022 will receive a copy of this report.

*Note: Audit reports should not be circulated wider than the above distribution without the consent of the Designated Head of Internal Audit.*

## 1.0 Background

- 1.1. This report summarises the findings from the audit of Development Management (Complaints). This was an internal audit review included in the 2021/22 risk-based audit plan agreed by the Audit Committee on 15<sup>th</sup> March 2021.
- 1.2. Development Management is a key service area for the Council and forms part of the Economic Development Directorate. The service supports the Council's priorities which include continue to improve the quality of our local environment and green spaces so that everyone can enjoy living, working in and visiting Carlisle and to address current and future housing needs to protect and improve residents' quality of life.
- 1.3. During this audit review a new Corporate Complaints Policy was issued. This policy no longer includes complaints to do with technical planning matters or Legislation. It should be noted that all eight of the development management complaints tested within this audit fell within the remit of the previous policy.

## 2.0 Audit Approach

### Audit Objectives and Methodology

- 2.1 Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems.
- 2.2 A risk-based audit approach has been applied which aligns to the five key audit control objectives (see section 4). Detailed findings and recommendations are reported within section 5 of this report.

### Audit Scope and Limitations.

- 2.3 The Client Leads for this review was the Head of Development Management and the Customer Services Manager and the agreed scope was to provide independent assurance over management's arrangements for ensuring effective governance, risk management and internal controls of the following risks:
  - Financial and reputational damage to the Council due to avoidable complaints.
  - Unnecessary use of resources to the Council due to an ineffective or inefficient planning complaints process and procedures.
- 2.4 There were no instances whereby the audit work undertaken was impaired by the availability of information.

### 3.0 Assurance Opinion

3.1 Each audit review is given an assurance opinion intended to assist Members and Officers in their assessment of the overall governance, risk management and internal control frameworks in place. There are 4 levels of assurance opinion which may be applied (See **Appendix C** for definitions).

3.2 From the areas examined and tested as part of this audit review, we consider the current controls operating within Development Management (Complaints) provide **reasonable assurance**.

*Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.*

### 4.0 Summary of Recommendations, Audit Findings and Report Distribution

4.1 There are two levels of audit recommendation; the definition for each level is explained in **Appendix D**. Audit recommendations arising from this audit review are summarised below:

Control Objective	High	Medium
1. <b>Regulatory</b> - compliance with laws, regulations, policies, procedures and contracts (see section 5.1)	1	1
2. <b>Information</b> - reliability and integrity of financial and operational information (see section 5.2)	-	-
3. <b>Value</b> – effectiveness and efficiency of operations and programmes (see section 5.3)	-	-
<b>Total Number of Recommendations</b>	<b>1</b>	<b>1</b>

4.2 Management response to the recommendations, including agreed actions, responsible manager and date of implementation are summarised in Appendix A. Advisory comments to improve efficiency and/or effectiveness of existing controls and process are summarised in Appendix B for management information.

#### 4.3 Findings Summary (good practice / areas for improvement):

The audit concluded that development management complaints were successfully monitored and managed following the processes within the previous Council's Corporate Complaints Policy, no issues were noted. None of these complaints were upheld or had financial implications for the Council.

During the audit review the Corporate Complaints Policy was updated and reissued. The policy no longer includes development management complaints to investigate technical planning matters or legislation. As a result of these changes, Development Management need to develop a system and documented guidance for the monitoring and management of any future complaints received.

No privacy notice had been published for the development management service, this should be made available online as soon as possible.

The team have learned lessons from the complaints received and as a result improvement has been made to the service. This also contributed to improving the new Corporate Complaints Policy.

### **Comment from the Corporate Director of Economic Development**

I welcome the report which, following the changes to the Complaints Process will enable us to ensure that proper processes in relation to Planning issues are implemented.

## 5.0 Audit Findings & Recommendations

### 5.1 Regulatory – compliance with laws, regulations, policies, procedures and contracts

- 5.1.1** Responsibility for the Council's Corporate Complaints is held by Customer Services. This process is managed and monitored via the Customer Services Information Point system on SharePoint.
- 5.1.2** During the audit review a new Corporate Complaints and Feedback Policy was approved by the Executive on 27 September 2021 and issued on 12 November 2021. A copy of the policy is available publicly via the Council's website together with a Corporate Complaints form. The policy details how the City Council deals with complaints, compliments, and general customer feedback.
- 5.1.3** The main changes to the new policy are informal response, complaint escalation and acknowledgement. The timescales remain largely the same and communications from the complaints email along with automated reminders.
- 5.1.4** The new policy now states *'Any complaints concerning decisions of the Development Control Committee (or delegated decisions taken by Officers) or technical queries regarding planning legislation must be pursued through the statutory Appeals process or Judicial Review process. The Corporate Complaints Policy cannot be used to investigate technical planning matters or Legislation'*
- 5.1.5** The audit review highlighted that there is currently no documented procedures or guidelines for either staff or the public in relation to development management complaints and there is no process in place for staff to follow when handling and managing any such complaints now they fall out of the remit of the Corporate Complaints Policy. This poses a risk that any future complaints received may not be consistently handled and may result in financial and reputational damage to the Council.
- 5.1.6** The Customer Services Manager and Head of Development Management confirmed work is being undertaken to tackle this by creating a Complaints SharePoint site to record and manage any future development management complaints received. It was also highlighted that work has been undertaken to create a flow chart detailing the development management complaints process; however, this was not made available to audit and has not yet been published on the Council's website.

**Recommendation 1 – The SharePoint complaints tracker for development management complaints should be set up along with documented guidance for both staff and public to use.**



- 5.1.7** Documents in relation to development management complaints reviewed during this audit were securely retained on the Customer Services Information Point on SharePoint. This system is set up to automatically delete this data three years after it was last accessed.
- 5.1.8** This retention period is detailed in the Customer Service Complaints Privacy notice which is available to view on the Council's website and it is also included within the Council's Document Retention Schedule.
- 5.1.9** Information is also retained securely within each planning application's electronic file on the Acolaid system. It was noted at the time of the audit review that there was no mention of the document retention requirements for development management complaints within the Council's Document Retention Schedule and no privacy notice has been published for this service.

**Recommendation 2 – Development Management should publish their complaints document retention information in the Council's Document Retention Schedule and in their privacy notice which should be published on the Council's website as soon as possible.**

- 5.1.10** Development management complaint information may be shared with the Ombudsman and regulatory bodies when required. This is included within the Customer Service Complaints privacy notice and this also needs to be included within the development management privacy notice prior to its publication.
- 5.1.11** The Head of Development Management confirmed that he is aware of all the complaints and that he checks all responses prior to them being sent out.
- 5.1.12** The last eight development management complaints received and reviewed during this audit fell within the remit of the previous Council's Corporate Complaints Policy. Audit testing highlighted the following:
- All eight complaints had been acknowledged within five working days of the Council receiving the complaint;
  - The first response (Stage1) to each of the eight complaints was dated within 15 working days;
  - Six of these complaints reached Stage 2, acknowledgements and responses were sent within the agreed timescales;
  - Four of these complaints were escalated to Stage 3 and were heard at an Appeals Hearing, acknowledgments, updates and responses were all found to have been completed within the required timeframes;
  - Two complaints reached Stage 4 – Local Government Ombudsman and neither of the complaints were upheld or investigated.

**5.1.13** None of the eight complaints reviewed were upheld nor was there any financial implications for the Council and none had been highlighted in the media.

## **5.2 Information – reliability and integrity of financial and operational information**

**5.2.1** There is a service standard SS05: Proportion of corporate complaints dealt with on time that is monitored and reported in the quarterly performance reports which are presented to Directorate Management Team, Senior Management Team, Scrutiny Panels & then the Executive.

**5.2.2** The Customer Services Manager confirmed that he monitors corporate complaints monthly using the Customer Service tracker in SharePoint and sends the performance data to the Policy & Performance Officer on a quarterly basis to be included within the quarterly performance reports.

**5.2.3** Audit successfully re-performed the calculation for service standard SS05 for the first and second quarter of 2021/22.

## **5.3 Value – effectiveness and efficiency of operations and programmes**

**5.3.1** Audit was advised that lessons have been learned from the complaints received and working practices have been amended to improve the service and the new Corporate Complaints Policy.

## Appendix A – Management Action Plan

Summary of Recommendations and agreed actions					
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date
Recommendation 1 - The SharePoint complaints tracker for development management complaints should be set up along with documented guidance for both staff and public to use.	H	If processes and procedures are not clearly set up and documented, officers may be unsure of their roles and responsibilities and incorrect practices may occur that may lead to inaccurate information or financial or reputational damage to the Council.	Set up the Share Point system and train relevant staff on the procedures along with guidance	Head of Development Management	31 June 2022
Recommendation 2 - Development Management should publish their complaints document retention information in the Council's Document Retention Schedule and in their privacy notice which should be published on the Council's website as soon as possible.	M	Failure to adhere to all relevant statutory requirements and breach of data protection legislation through failure to adequately notify individuals on how data will be processed.	Draft policy requires revisions and uploading to website in liaison with the Council's DPO	Head of Development Management	31 August 2022

## Appendix B – Advisory Comments

Ref	Advisory Comment
5.1.10	Development management complaint information may be shared with the Ombudsman and regulatory bodies when required, this needs to be included within the development management privacy notice prior to its publication on the Council's website.

## Appendix C - Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
<b>Substantial</b>	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	<p>The control framework tested are suitable and complete are being consistently applied.</p> <p>Recommendations made relate to minor improvements or tightening of embedded control frameworks.</p>
<b>Reasonable</b>	There is a reasonable system of internal control in place which should ensure system objectives are generally achieved. Some issues have been raised that may result in a degree of unacceptable risk exposure.	<p>Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently embedded.</p> <p>Any high graded recommendations would only relate to a limited aspect of the control framework.</p>
<b>Partial</b>	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses that have been identified. The level of non-compliance and / or weaknesses in the system of internal control puts achievement of system objectives at risk.	<p>There is an unsatisfactory level of internal control in place. Controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified.</p> <p>High graded recommendations have been made that cover wide ranging aspects of the control environment.</p>
<b>Limited/None</b>	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	<p>Significant non-existence or non-compliance with basic controls which leaves the system open to error and/or abuse.</p> <p>Control is generally weak/does not exist.</p>

## Appendix D

### Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are two levels of audit recommendations; high and medium, the definitions of which are explained below.

	Definition:
<b>High</b>	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
<b>Medium</b>	Some risk exposure identified from a weakness in the system of internal control

The implementation of agreed actions to Audit recommendations will be followed up at a later date (usually 6 months after the issue of the report).