Audit of Noise Pollution Complaints (Environmental Health)

Draft Report Issued: 03 August 2018
Director Draft Issued: 17 August 2018
Final Report Issued: 6 September 2018

Audit Report Distribution

Client Lead:	Regulatory Services Manager
Chief Officer:	Director of Governance and Regulatory Services Chief Executive
Others:	Information Governance Manager
Audit Committee:	The Audit Committee, which is due to be held on 26th September 2018 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 Noise Pollution Complaints (Environmental Health). This was an internal audit review included in the 2018/19 risk-based audit plan agreed by the Audit Committee on 19th March 2018.

1.2   There is a statutory duty for Carlisle City Council to cause its area to be inspected from time to time to detect any statutory nuisances which ought to be dealt with under section 80 of the Environmental Protection Act 1990 and, where a complaint of a statutory nuisance is made to it by a person living within its area, to take such steps as are reasonably practicable to investigate the complaint

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 Audit Scope was agreed with management prior to the commencement of this audit review. The Client Lead for this review was the Regulatory 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 scope areas:

- Failure to achieve business objectives due to a lack of governance
- Processes are not followed, and the service does not comply with legislation requirements including sanctions for non-return of information.
- The service fails to document they have undertaken inspections and complied with their statutory obligations.
- Reputational damage through complaints not being actioned leading to reputational damage.
- Loss or failure to secure sensitive personal information and comply with data protection legislation, resulting in financial penalties and reputational damage.

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, and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix B.**

3.2   From the areas examined and tested as part of this audit review, we consider the current controls operating within Noise Pollution provide **Substantial 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 C**.

4.2   There are three audit recommendations arising from this audit review and these can be summarised as follows:

Control Objective	High	Medium
1. **Management** - achievement of the organisation's strategic objectives (see section 5.1)	-	1
2. **Regulatory** - compliance with laws, regulations, policies, procedures and contracts (see section 5.2)	-	2
3. **Information -** reliability and integrity of financial and operational information (see section 5.4)	-	-
4. **Security** - safeguarding of assets (see section 5.3)	-	-
5. **Value** – effectiveness and efficiency of operations and programmes (see section 5.5)	-	-
Total Number of Recommendations	**-**	**3**

4.3   Management response to the recommendations, including agreed actions, responsible manager and date of implementation are summarised in Appendix A.

4.4   **Findings Summary (good practice / areas for improvement):**
There are good controls are in place to support the governance of the noise pollution statutory function and to ensure that good service planning is in place.

Processes are in place which are well documented, with management checks in place to ensure that they are followed and that the service complies with legislation requirements. Improvements should be made to the regularity of the management checks to ensure that all the information is correctly recorded.

Flare, the case management software, enables officers to manage their workloads and for managers to review all cases. There is evidence that some officers do not clear their flare diaries regularly, which could result in delayed actions. The annual returns are completed timely and information is verified.

Processes are in place to ensure personal data is retained securely, however the paper records should be locked away out of office hours and a retention policy should be in place for the noise data retained within Salesforce.

Comment from the Director of Governance and Regulatory Services
Thanks to the team for their work in delivering a service which has gained a substantial assurance. Thanks also for the Audit Report which is duly noted.

5.0   Audit Findings & Recommendations

5.1   Management – Achievement of the organisation's strategic objectives

5.1.1   A Service Plan is in place and although there is no direct mention of noise pollution it is included within the compliance with our statutory duties to regulate for Food; Public Health; Health and Safety at work; Licensing; Housing conditions and Pollution Control.

5.1.2   A detailed structure is in place within the Governance and Regulatory Services, representing the current staffing which was recently reviewed. There are job descriptions in place for all the regulatory services staff responsible for noise pollution.

5.1.3   Monthly team meetings are taking place to ensure that staff are kept up to date with service needs and any changes. The team appraisal has been undertaken and evidence was seen to confirm that the team's training needs are identified. Trained officers are working at appropriate levels within the team and training records are maintained and updated appropriately.

5.1.4   A performance indicator is in place for the service to ensure cases are actioned. Testing confirmed it is accurately reported and that the team performance exceeded their target for 2017/18.

5.1.5   Monthly budget monitoring reports are sent to the Regulatory Services Manager and regular monitoring meetings take place with Finance.

5.1.6   There are regular meetings between the Director and the Service Manager, reporting on progress and any concerns are raised.

5.1.7   Management verification checks are being undertaken on cases within Flare. However, the percentage of checks currently being undertaken by line managers is low (5%). The Regulatory Services Manager had advised the target is approximately 20%

   Recommendation 1 - Line managers should increase the level of management checks undertaken in line with the departmental target.

5.2 Regulatory – compliance with laws, regulations, policies, procedures and contracts

5.2.1 Detailed procedure notes are in place. They are provided externally and are kept up to date, with timely amendments for changes in legislation.

5.2.2 Testing concluded that there is a detailed procedure document in place for individuals to raise complaints relating to noise nuisances. There was an issue raised whilst undertaking a walkthrough of the Service request flow chart about how the completed booklet is dealt with once returned to the council.

5.2.3 It is advised that the internal flowchart is updated to reflect current practices with relation to the council receiving the completed booklet and raising cases on Flare.

5.2.4 The annual return is submitted timely, and the information is verified prior to submission.

5.2.5 Paper records (which contain personal information) are generated at the start of a case and are maintained during the process. They are currently stored on Officer's desks during the process, which can be up to a year. The Service requests and are then confidentially destroyed following the completion of the audit.

   Recommendation 2 - Service request notices containing personal information should be stored securely in the office and locked away out of hours.

5.2.6 Once a file is closed a deletion date is automatically created within the Flare system. There will then be a manual process to delete records accordingly.

5.2.7 Personal information is stored within Salesforce. A separate audit of this system identified a requirement to identify data retention periods for all information stored in the system. It is advised that Environmental Health work with Customer Services to ensure suitable retention periods are identified for relevant data.

5.2.8 The registration with the Information Commissioners Office (ICO) covers the data held by Regulatory Services.

5.3 Information – reliability and integrity of financial and operational information

5.3.1 Flare is the electronic case management system used by Regulatory Services. All cases are entered onto the system once a complaint is formally raised. The Technical Officers within the service input the cases onto the system and the cases are then assigned to Health and Housing Officers.

5.3.2 Officers can review their workloads through a diary action which enables them to keep track of their workloads and ensure actions are completed on a timely basis. A report was produced by the Service Improvement Officer and the testing concluded that some officers aren't clearing their diary actions regularly and that work actions can therefore not be identified and addressed

Recommendation 3 - Officer diary entries within Flare should be reviewed in their one to ones to ensure that workload is regularly assessed.

5.3.3 Management can run reports from the Flare system as necessary to gain assurance over the case progression and the outstanding actions

5.3.4 All the information within the system is verified prior to the submission of annual return

5.4 Security – Safeguarding of Assets

5.4.1 Electronic Systems are password protected and the individual officers are set up with varying specific permissions relevant to their role.

Appendix A – Management Action Plan

Summary of Recommendations and agreed actions					
Recommendations	**Priority**	**Risk Exposure**	**Agreed Action**	**Responsible Manager**	**Implementation Date**
Line managers should increase the level of management checks undertaken in line with the departmental target.	M	Incorrect practice not identified and rectified.	AGA code has been produced to confirm management audits. Principal Health and Housing Officers have been informed of this requirement and are being monitored through Flare reporting. Regulatory Services Manager to follow up performance standard with the Principals.	Regulatory Services Manager	30 September 2018.
Service request notices containing personal information should be stored securely in the office and locked away out of hours	M	Personal information is made available to unauthorised individuals. Breach of data protection legislation.	1. Officers to be informed to secure private information either by using locked draws or looking at other locked filing systems. 2. Office areas restricted by authorised key fobs. 3. Discussion required at Governance DMT on the types of information which can be left on a desk.	Regulatory Services manager	01 September 2018 3 September 2018
Officer diary entries within Flare should be reviewed in their one to ones to ensure that workload is regularly assessed.	M	Delays in delivering actions.	This is occurring with Principals having lists of officers un responded service requests and open service requests. Along with the increase in management auditing the officer data records should improve. The one to one discussions on Flare recording have started.	Principal Health and Housing Officers	To review performance in September 2018 reporting.

Appendix B
Audit Assurance Opinions
There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	The control framework tested are suitable and complete are being consistently applied. Recommendations made relate to minor improvements or tightening of existing control frameworks.
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	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 developed. Any high graded recommendations would only relate to a limited aspect of the control framework.
Partial	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 which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified. High graded recommendations have been made that cover wide ranging aspects of the control environment.
Limited / None	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.	Significant non-compliance with basic controls which leaves the system open to error and/or abuse. Control is generally weak/does not exist.

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 used; high and medium, the definitions of which are explained below.

	Definition:
High	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	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).