

WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE

09 NOVEMBER 2020

Title:

PROGRESS ON THE IMPLEMENTATION INTERNAL AUDIT AGREED ACTIONS

Lead Councillor: Councillor Peter Marriott, Chairman of the Audit Committee

Head of Service: Graeme Clark, Strategic Director

Key decision: Yes

Access: Public

1. Purpose and summary

- 1.1 To inform the Audit Committee of Senior Management's progress in implementing the agreed actions raised by Internal Audit following a review in their service areas. This report will enable the Committee to consider what action is required in respect of those that are overdue or appear likely to be implemented later than the original agreed implementation date.

2. Recommendation

- 2.1 It is recommended that the Committee considers the information contained in **Annexe 1** and,

following discussion at the Audit Committee meeting identifies any action it wishes to be taken

and

considers the Head of Service(s) justification for a request for a change in the agreed target date for the Management Actions (s) listed in **Annexe 2** and agree an appropriate implementation date(s).

3. Reason for the recommendation

To enable the Audit Committee to be informed of the status of agreed actions accepted by Heads of Service but not yet implemented or progress made to implement by the agreed implementation date.

4. Background

4.1 This report provides the Audit Committee with the latest position regarding the implementation of Internal Audit agreed actions.

5. Relationship to the Corporate Strategy and Service Plan

5.1 A financially sound Waverley, with infrastructure and services fit for the future.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

Internal audit work helps management in achieving good value for money and, individual agreed actions may have value for money implications.

6.2 Risk management

There is a risk that where weakness or non-compliance identified as part of audit reviews, if not actioned to strengthen the controls will not assist to prevent the materialising of the risks identified.

6.3 Legal

There are no direct legal implications, although good governance and probity are strengthened by attending to the matters raised in audit agreed actions.

6.4 Equality, diversity and inclusion

There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

6.5 Climate emergency declaration

There are no direct implications in this report

7. Consultation and engagement

7.1 Heads of Service

8. Other options considered

8.1 N/A

9. Governance journey

9.1 The minutes of the meeting will be included on the Council agenda.

Annexes:

Annexe 1 – provides the current position on agreed actions due for completion at the end of the month of the Audit Committee date.

Annexe 2 – provides the requests from Heads of Service for changes to previously agreed audit action dates.

Background Papers

There are no background papers, as defined by Section 100D (5) of the Local Government Act 1972).

CONTACT OFFICER:






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Agreed and signed off by:
Legal Services: 14/10/2020
Head of Finance: 12/10/2020
Strategic Director: 16/10/2020
Portfolio Holder: N/A



Agreed Internal Audit Actions overdue or due within the end of the month after the AC 30 November 2020





Generated on: 23 October 2020



Action Status	
	Cancelled
	Overdue; Neglected
	Unassigned; Check Progress
	Not Started; In Progress; Assigned
	Completed



Head of Service Ellwood, Zac

IA20/08.001 Target Response Times						
Action Code & Description	Monitoring of response targets against those highlighted in the Enforcement Plan for the 3 priorities are not currently measured or reported: Priority One – Major – First contact or site visit within 1 working day from receipt of complaint Priority Two – Medium – First contact or site visit within 5 working days from receipt of complaint Priority Three – Low – First contact or site visit within 10 working days from receipt of complaint				Exit Meeting Date	15-Jan-2020
					Due Date	30-Jun-2020
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA20/08 Planning Enforcement					
Agreed Action	1.1 The measuring of response times to be incorporated into the incoming new Horizon programme that replaces ILAP. 1.2 The information for reporting will be available on request from the new Horizon programme that replaces ILAP. Risk -Performance issues may not be identified. (ZE)					
Status		Overdue	Progress	0%	Head of Service	Zac Ellwood
All Notes						



IA20/08.002 Out of Date Enforcement Plan						
Action Code & Description	There has been six years of operations since the Enforcement Plan was issued. Elements of the plan relating to key performance indicators and proactive working are out of date and no longer reflect operational activity.				Exit Meeting Date	15-Jan-2020
					Due Date	31-Jul-2020
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA20/08 Planning Enforcement					
Agreed Action	To update and agree the Local Planning Enforcement Plan Risk - Key policy document may be out of date and not reflect current operations. (ZE)					
Status		Overdue	Progress	0%	Head of	Zac Ellwood



					Service	
All Notes						



IA20/14.001 CIL Guide						
Action Code & Description	The Council has published a CIL Guide and FAQs on its website to ensure the planning applicants are made aware of what is required by the CIL Regulations. This document was updated in December 2018.				Exit Meeting Date	01-Apr-2020
	<p>However, changes to the CIL Regulations were implemented from 1st September 2019, and these have not been incorporated into the guidance. This includes:</p> <ul style="list-style-type: none"> . Form 0 Additional information has now become Form 1 - the link in the WBC guidance goes to the correct form . Form 1 Assumption of liability has now become Form 2 - the link in the WBC guidance goes to the Planning Portal where the correctly numbered form is listed. . Form 2 Relief for Charitable purposes and/or Social Housing has now become Form 10 - the link in the WBC guidance goes to the Planning Portal where the correctly numbered form is listed. . If no commencement notice is received prior to the development being commenced this no longer results in any relief having been granted being lost, instead the surcharge only applies. <p>Risk: Potential planning applicants could find the inconsistencies confusing.</p>				Due Date	01-Jun-2020
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA20/14 Community Infrastructure Levy					
Agreed Action	Update the CIL Guide and FAQs to align with the changes within the most recent amendments of the CIL Regulations and the CIL NPPG.					
Status		Overdue	Progress	0%	Head of Service	Zac Ellwood
All Notes						



IA20/17.001.1 Reconciliation						
Action Code & Description	From our discussion with Planning and Accountancy teams, we noted that an overall reconciliation process does not take place between planning income received and that which is logged in the planning system, ILAP, and planning income recorded in the accounts.				Exit Meeting Date	16-Jun-2020
	Such a process being in place would better enable the Council to demonstrate that income received is accurately reflected and would give additional reassurance to that effect.				Due Date	03-Aug-2020
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA20/17 Planning Fee Income					
Agreed Action	Initiate reconciliation process using current systems.					
Status		Overdue	Progress	0%	Head of Service	Zac Ellwood; Peter Vickers
All Notes						



IA20/17.001.2 Functionality of the new Planning Database						
Action Code & Description	From our discussion with Planning and Accountancy teams, we noted that an overall reconciliation process does not take place between planning income received and that which is logged in the planning system, ILAP, and planning income recorded in the accounts.				Exit Meeting Date	16-Jun-2020
	Such a process being in place would better enable the Council to demonstrate that income received is accurately reflected and would give additional reassurance to that effect.				Due Date	31-Aug-2020



Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA20/17 Planning Fee Income					
Agreed Action	Development of new Planning database to ensure an automatic process is available.					
Status		Overdue	Progress	0%	Head of Service	Zac Ellwood
All Notes						

Action Code & Description	IA20/17.002.1 Market Information					
	Budgets were set, within the last few years, based on a consistently increasing housing market and using the assumption that status quo would apply to planning activity regardless of outside events which had direct effects on consumer confidence in the past.				Exit Meeting Date	16-Jun-2020
	Analysis of the market behaviour might, in future, inform a different outcome in terms of budget setting, and in turn mitigate the risk of setting too ambitious or too small an income target.				Due Date	30-Sep-2020
Risk Level	High Priority				Risk RAG	
Audit Report Code and Description	IA20/17 Planning Fee Income					
Agreed Action	Inclusion of market information in the next budget review.					
Status		Overdue	Progress	0%	Head of Service	Zac Ellwood
All Notes						



Action Code & Description	IA20/17.002.2 Recording of pre application advice					
	Budgets were set, within the last few years, based on a consistently increasing housing market and using the assumption that status quo would apply to planning activity regardless of outside events which had direct effects on consumer confidence in the past.				Exit Meeting Date	16-Jun-2020
	Analysis of the market behaviour might, in future, inform a different outcome in terms of budget setting, and in turn mitigate the risk of setting too ambitious or too small an income target.				Due Date	30-Sep-2020
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA20/17 Planning Fee Income					
Agreed Action	Record pre-application advice on larger applications likely to be supportable.					
Status		Overdue	Progress	0%	Head of Service	Zac Ellwood
All Notes						



Action Code & Description	IA20/17.002.3 Development Timescales					
	Budgets were set, within the last few years, based on a consistently increasing housing market and using the assumption that status quo would apply to planning activity regardless of outside events which had direct effects on consumer confidence in the past.				Exit Meeting Date	16-Jun-2020
	Analysis of the market behaviour might, in future, inform a different outcome in terms of budget setting, and in turn mitigate the risk of setting too ambitious or too small an income target.				Due Date	30-Sep-2020
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA20/17 Planning Fee Income					
Agreed Action	Discussions with developers and landowners regarding timescales of sites coming forward.					
Status		Overdue	Progress	0%	Head of Service	Zac Ellwood
All Notes						



Action Code & Description	IA20/17.003.1 Planning Reference Number					
	Testing for the approval of refunds, from the ILAP system/documentation held, through to the finance system, Agresso, was completed on a reduced scale due to the inability of the ILAP system to run a report specifically on refunds.				Exit Meeting Date	16-Jun-2020
	However, from filing completed earlier in the 2019/2020 financial year, we selected a sample of five refunds. For 2/5 we were unable to confirm that the request had approval for refund and we were also unable to confirm the date that the refund was requested in order to check it had been issued both appropriately and in a timely manner. Where refunds are issued it is important to retain an audit data trail and document authorisations, timings and reasons for refunds being made. For example, including an appropriate planning reference on Agresso payment records alongside. Risk: Risk of loss of income				Due Date	31-Aug-2020
Risk Level	High Priority				Risk RAG	
Audit Report Code and Description	IA20/17 Planning Fee Income					
Agreed Action	Discussions with Finance Service over joint procedures to ensure that all records necessary are held on the Planning database and the Finance records hold the Planning reference for refunds.					
Status		Overdue	Progress	0%	Head of Service	Zac Ellwood; Peter Vickers
All Notes						

Action Code & Description	IA20/17.003.2 Planning Procedure Note					
	Testing for the approval of refunds, from the ILAP system/documentation held, through to the finance system, Agresso, was completed on a reduced scale due to the inability of the ILAP system to run a report specifically on refunds.				Exit Meeting Date	16-Jun-2020
	However, from filing completed earlier in the 2019/2020 financial year, we selected a sample of five refunds. For 2/5 we were unable to confirm that the request had approval for refund and we were also unable to confirm the date that the refund was requested in order to check it had been issued both appropriately and in a timely manner. Where refunds are issued it is important to retain an audit data trail and document authorisations, timings and reasons for refunds being made. For example, including an appropriate planning reference on Agresso payment records alongside confirmation of the date of any refund paid would enable such a data trail to be captured.				Due Date	31-Aug-2020
Risk Level	High Priority				Risk RAG	
Audit Report Code and Description	IA20/17 Planning Fee Income					
Agreed Action	Update the Planning procedure note.					
Status		Overdue	Progress	0%	Head of Service	Zac Ellwood
All Notes						



Action Code & Description	IA20/17.004.1 Automate payment extraction from portal					
	The interface between the Agresso and ILAP system relies on manual input. It is inevitable that errors will occur from time to time where they might not with a computer system interface.				Exit Meeting Date	16-Jun-2020
	Our review of a sample of 50 found that in terms of the receipt of income: . Two records were unable to be located on ILAP. . Three amounts were recorded incorrectly on ILAP . In three further instances, a record of checks made on income which had been received had not been retained. Whilst the errors were minor in comparison to the amount of income tested, this demonstrates the possibility of errors in recording information, and				Due Date	31-Aug-2020

	highlights that staff must remain vigilant when recording income to ensure accuracy of income recording.					
Risk Level	High Priority				Risk RAG	
Audit Report Code and Description	IA20/17 Planning Fee Income					
Agreed Action	Ensure the new Planning Database extracts the payment details directly from the Portal payment to remove manual entry of data.					
Status		Overdue	Progress	0%	Head of Service	Zac Ellwood
All Notes						



IA20/17.004.2 Spot Checks						
Action Code & Description	The interface between the Agresso and ILAP system relies on manual input. It is inevitable that errors will occur from time to time where they might not with a computer system interface.				Exit Meeting Date	16-Jun-2020
	Our review of a sample of 50 found that in terms of the receipt of income: . Two records were unable to be located on ILAP. . Three amounts were recorded incorrectly on ILAP . In three further instances, a record of checks made on income which had been received had not been retained. Whilst the errors were minor in comparison to the amount of income tested, this demonstrates the possibility of errors in recording information, and highlights that staff must remain vigilant when recording income to ensure accuracy of income recording.				Due Date	31-Aug-2020
Risk Level	High Priority				Risk RAG	
Audit Report Code and Description	IA20/17 Planning Fee Income					
Agreed Action	Ensure the new Planning Database extracts the payment details directly from the Portal payment to remove manual entry of data.					
Status		Overdue	Progress	0%	Head of Service	Zac Ellwood
All Notes						


IA20/17.004.3 Data on Systems						
Action Code & Description	The interface between the Agresso and ILAP system relies on manual input. It is inevitable that errors will occur from time to time where they might not with a computer system interface.				Exit Meeting Date	16-Jun-2020
	Our review of a sample of 50 found that in terms of the receipt of income: . Two records were unable to be located on ILAP. . Three amounts were recorded incorrectly on ILAP . In three further instances, a record of checks made on income which had been received had not been retained. Whilst the errors were minor in comparison to the amount of income tested, this demonstrates the possibility of errors in recording information, and highlights that staff must remain vigilant when recording income to ensure accuracy of income recording.				Due Date	31-Aug-2020
Risk Level	High Priority				Risk RAG	
Audit Report Code and Description	IA20/17 Planning Fee Income					
Agreed Action	Discuss with the Finance service ways to record more specific data regarding the applicant/site address/Planning reference for incoming payments and refunds on the Finance systems.					
Status		Overdue	Progress	0%	Head of Service	Zac Ellwood; Peter Vickers
All Notes						


Action Code &	IA20/17.004.4 Procedure Notes					
	The interface between the Agresso and ILAP system relies on manual input. It				Exit Meeting	16-Jun-2020



Description	is inevitable that errors will occur from time to time where they might not with a computer system interface.				Date	
	<p>Our review of a sample of 50 found that in terms of the receipt of income:</p> <ul style="list-style-type: none"> . Two records were unable to be located on ILAP. . Three amounts were recorded incorrectly on ILAP . In three further instances, a record of checks made on income which had been received had not been retained. <p>Whilst the errors were minor in comparison to the amount of income tested, this demonstrates the possibility of errors in recording information, and highlights that staff must remain vigilant when recording income to ensure accuracy of income recording.</p>				Due Date	31-Aug-2020
Risk Level	High Priority				Risk RAG	
Audit Report Code and Description	IA20/17 Planning Fee Income					
Agreed Action	Ensure all procedure notes across different teams with the Planning Service that deal with the receipt of money (and refunds of payments) have the exact same procedure for recording the information in the relevant data bases.					
Status		Overdue	Progress	0%	Head of Service	Zac Ellwood
All Notes						

Head of Service Vickers, Peter

Action Code & Description	IA20/17.001.1 Reconciliation					
	<p>From our discussion with Planning and Accountancy teams, we noted that an overall reconciliation process does not take place between planning income received and that which is logged in the planning system, ILAP, and planning income recorded in the accounts.</p> <p>Such a process being in place would better enable the Council to demonstrate that income received is accurately reflected and would give additional reassurance to that effect.</p>				Exit Meeting Date	16-Jun-2020
					Due Date	03-Aug-2020
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA20/17 Planning Fee Income					
Agreed Action	Initiate reconciliation process using current systems.					
Status		Overdue	Progress	0%	Head of Service	Zac Ellwood; Peter Vickers
All Notes						

Action Code & Description	IA20/17.003.1 Planning Reference Number					
	<p>Testing for the approval of refunds, from the ILAP system/documentation held, through to the finance system, Agresso, was completed on a reduced scale due to the inability of the ILAP system to run a report specifically on refunds.</p> <p>However, from filing completed earlier in the 2019/2020 financial year, we selected a sample of five refunds. For 2/5 we were unable to confirm that the request had approval for refund and we were also unable to confirm the date that the refund was requested in order to check it had been issued both appropriately and in a timely manner.</p> <p>Where refunds are issued it is important to retain an audit data trail and document authorisations, timings and reasons for refunds being made. For example, including an appropriate planning reference on Agresso payment records alongside.</p> <p>Risk: Risk of loss of income</p>				Exit Meeting Date	16-Jun-2020
					Due Date	31-Aug-2020
Risk Level	High Priority				Risk RAG	
Audit Report Code	IA20/17 Planning Fee Income					

and Description						
Agreed Action	Discussions with Finance Service over joint procedures to ensure that all records necessary are held on the Planning database and the Finance records hold the Planning reference for refunds.					
Status		Overdue	Progress	0%	Head of Service	Zac Ellwood; Peter Vickers
All Notes						

IA20/17.004.3 Data on Systems						
Action Code & Description	The interface between the Agresso and ILAP system relies on manual input. It is inevitable that errors will occur from time to time where they might not with a computer system interface.				Exit Meeting Date	16-Jun-2020
	Our review of a sample of 50 found that in terms of the receipt of income: . Two records were unable to be located on ILAP. . Three amounts were recorded incorrectly on ILAP . In three further instances, a record of checks made on income which had been received had not been retained. Whilst the errors were minor in comparison to the amount of income tested, this demonstrates the possibility of errors in recording information, and highlights that staff must remain vigilant when recording income to ensure accuracy of income recording.				Due Date	31-Aug-2020
Risk Level	High Priority				Risk RAG	
Audit Report Code and Description	IA20/17 Planning Fee Income					
Agreed Action	Discuss with the Finance service ways to record more specific data regarding the applicant/site address/Planning reference for incoming payments and refunds on the Finance systems.					
Status		Overdue	Progress	0%	Head of Service	Zac Ellwood; Peter Vickers
All Notes						

ANNEXE 2

Head of Service Application for extensions to agreed action date/s

Recommendation Ref No	Planning Enforcement IA20/ 08/001 & IA20/08.002
Justification for an extension	AWAITING RESPONSE FROM HEADS OF SERVICE
Head of Planning and Economic Development	Zac Ellwood

Recommendation Ref No	Community Infrastructure Levy IA20/14.001
Justification for an extension	AWAITING RESPONSE FROM HEADS OF SERVICE
Head of Planning and Economic Development	Zac Ellwood

Recommendation Ref No	Planning Fee Income Report IA20/17.001.1, IA20/17.001.2, IA20/17.002.1, IA20/17.002.2, IA20/17.002.3, IA20/17.003.1, IA20/17.003.2, IA20/17.004.1, IA20/17.004.2, IA20/17.004.3, IA20/17.004.4.
Justification for an extension	AWAITING RESPONSE FROM HEADS OF SERVICE
Head of Planning and Economic Development	Zac Ellwood