INTERNAL AUDIT REPORT – BUILDING CONTROL

<u>Auditor:</u>	<u>Sharon Bradley</u>
<u>Distribution:</u>	Audit Committee Chief Executive Director of Corporate Services Chief Finance Officer Director of Environmental Services Head of Health & Built Environment Building Control Manager
	<u>July 2018</u>

All matters contained in this report came to our attention while conducting normal internal audit work. Whilst we are able to provide an overall level of assurance based on our audit work, unlike a special investigation, this work will not necessarily reveal every issue that may exist in the Council's internal control system.

Table of Contents

Executive Summary

This internal audit was completed in accordance with the approved annual Internal Audit Plan for 2018/19. This report summarises the findings arising from a review of the Building Control Department which was allocated 7 days.

Through the audit I found the following examples of good practice:

- Well-presented documented procedures governing building control activities are in place.
- All applications received are logged onto the Tascomi Te-Build system with the appropriate information recorded for each application.
- All application forms and information are checked before the application is validated and all applications are processed within 3 working days unless there is a query.
- Applications are not processed until the full appropriate application fee is received.
- Finance section are informed to raise an invoice once the initial inspection has been conducted.
- There is adequate recording of site inspection information on the system.
- An annual business plan for building control is in place and regular meetings are held accordingly.

Four areas (Priority 2) where controls could be enhanced was noted during this review.

The following table summarises the total number of recommendations from our audit (all recommendations being accepted by management):

Risk	Number of recommendations & Priority rating		
	1	2	3
Policies and procedures of the Building Control Department may not be in place leading to inconsistencies of how building control issues are addressed.	-	1	-
Building applications may not be processed accurately and promptly within agreed time limit leading to unnecessary delays in the assessment and inspection process.	-	1	-
Fees and invoices are not managed appropriately and in a timely manner leading to errors in fees being received from applicants and delays in the receipt of income.	-	1	-
It may be that building control work is not planned appropriately and the work is not prioritised correctly leading missed deadlines or inefficient use of staffs' time.	-	1	-
Total recommendations made	**-**	**4**	**-**

Based on our audit testing we are able to provide the following overall level of assurance:

Satisfactory	Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified this should not significantly impact on the achievement of system objectives.

The Building Control Manager has made exceptional progress in relation to performance management resulting in carrying out their function more efficiently, effectively and economically.

Objective

The overall objective of this audit is to consider the main risks in relation to building control and to review the key systems and controls in place to address these.

Background

Causeway Coast and Glens Borough Council, through its Building Control Department, has a statutory duty to enforce the Building Regulations and allied legislation. These ensure the health, safety, welfare and convenience of people in the built environment as well as the conservation of fuel and power, and the provision for access in to buildings. The Building Control Department is also responsible for a range of other Allied Functions and some work is exempt from Building Regulations but may require approval from other statutory agencies. Such as:

- The Planning Service
- Northern Ireland Environment Agency (NIEA)

Risks

The risks identified relating to the Building Control Department and agreed with management are as follows:

1. Policies and procedures of the Building Control Department may not be in place leading to inconsistencies of how building control issues are addressed.
2. Building applications may not be processed accurately and promptly within agreed time limit leading to unnecessary delays in the assessment and inspection process.
3. Fees and invoices are not managed appropriately and in a timely manner leading to errors in fees being received from applicants and delays in the receipt of income.
4. Building control work is not carried out to the required standard leading to poor decision making in relation to approving plans, inspection work and issuing of completion certificates.
5. It may be that building control work is not planned appropriately and the work is not prioritised correctly leading missed deadlines or inefficient use of staffs' time.

Audit Approach

The audit fieldwork comprised:

- Documenting the systems via discussions with key staff
- Consideration of the key risks within each audit area
- Examining relevant documentation
- Carrying out a preliminary evaluation of the arrangements and controls in operation generally within the Council
- Testing the key arrangements and controls
- Testing the completeness and accuracy of records.

The table below shows the staff consulted with and we would like to thank them for their assistance and co-operation.

Job title
Head of Health & Built Environment
Building Control Manager
Business Support Manager
Business Support Assistant ES

Findings and Recommendations

This section of the report sets out our findings in relation to control issues identified and recommendations. A summary of all the key controls that we considered is included in Appendix II to this report.

6.1   Risk 1 – Policies and Procedures

Property Certificate System
a) **Observation-**   It was noted during the audit that Building Control set up a trial access to online property certificates in Limavady and Ballymoney. Property certificates are accessed by applicants, mainly solicitors, through Council Direct. This trial system has proved to be very effective and efficient in dealing with property certificates.
b) **Implication**- Inconsistencies in the current system of property certificates
c) **Priority Rating- 2**
d) **Recommendation 1-** Council should consider rolling out the new online property certificate system across all Council areas.
e) **Management Response-**   Agreed. A full roll out of the Online Property Certificates system to take place firstly by informing solicitors of the availability of this service and the advantages of using

the system. It will provide a paperless process with the completed property certificate available by way of an email which informs the solicitor that
the property certificate is complete and available to download
A number of workshops in each of the Council offices will be organised to demonstrate the Online Property Certificate system and its advantages in using technology to speed up response times and to save on both paper and postage costs (Presently Council process in the region of 3,000 property certificates a year)
A follow up will also take place with those solicitors that are using the system to get feedback on any issues or improvements they may have as well as contacting solicitors who are not presently using the system to encourage them to use it

Responsible Officer & Implementation Date-
Head of Health and Built Environment, Building Control Manager
1st April 2019

6.2   Risk 2 – Building Applications

Online Applications
a) **Observation-** It was noted during the audit that Building Control accepts Building Notice and Regularisation applications online as well as in hard copy. Applications received as hard copies are scanned onto the Tascomi Te-build system as part of the move to go paperless. However, the system does not provide the facility to prompt the admin officer to ensure the scanned application has been attached.
b) **Implication**- Officer may forget to attach the scanned document to the system. Paper document could potentially be mislaid.
c) **Priority Rating- 2**
d) **Recommendation 2-** Council should contact Tascomi to add a prompt reminder to ensure the scanned application is attached on the system.
e) **Management Response-** Agreed. A formal meeting will take place with Tascomi to discuss a solution to prompt the Business Support Officer to ensure the scanned application and possibly any additional attachments have been attached

Responsible Officer & Implementation Date-
Head of Health and Built Environment, Building Control Manager
1st January 2019

6.3   Risk 3 – Building Application Fees and Invoicing

Processing applications accurately and promptly
a) **Observation-** It was noted during the audit that the current Tascomi system does not highlight if work has not commenced before the 3 year expiry date of receipt of any submissions/applications. The Tascomi system should highlight these, and sites

	should be checked by a building control officer in case the work has started without the knowledge of Council. However, these have not been followed up by the department.
b)	Implication- Although the full fees for Building Notice and Regularisation applications are received at submission Full Plans application fees due to Council in respect of inspections may not be received.
c)	**Priority Rating- 2**
d)	**Recommendation 3 –** Council should contact Tascomi to ensure the system highlights / flags up these applications and Works started and not yet completed should be followed up as a matter of urgency.
e)	**Management Response-** Agreed. A formal meeting will take place with Tascomi to discuss a solution to highlight applications that have not commenced before the 3 year expiry date. A procedure will be established to ensure officers carry out a site visit and record the present situation with the application (Not Commenced or Commenced) If commenced the procedure will indicate how to progress claiming the inspection fee and subsequent follow up site visits
**Responsible Officer & Implementation Date-** Head of Health and Built Environment, Building Control Manager 1st January 2019

6.4   Risk 4 – Building Control work is carried out to the required standard

Audit has no findings or recommendations to make in relation to this risk area.

6.5   Risk 5 – Building Control work is planned appropriately

GIS – Mapping of building control applications

a)	**Observation-** It was noted during the audit that there is currently ongoing conversations between Council's GIS officer and Tascomi in the transfer of data and the information required within the data to ensure it can be mapped to highlight location of work, purpose group of application, cost of work (provides an indication of how complex the work may be to ensure it is captured when distributing workloads fairly to building control officers), Real Time Data (linkages between Tascomi and the Mapping module are in real time to ensure that the applications received are being managed at the start of the process particularly if there are any spikes in applications or complex jobs).
b)	**Implication**-. Unevenly distribution of workloads to building control officers
c)	**Priority Rating- 2**

d) Recommendation 4 - The mapping of building control applications should be addressed immediately to allow the building control manager and senior officers to look at the distribution of workloads throughout the borough and evenly redistribute the workload out to the officers by redefining the areas that are presently being used.
e) Management Response- Agreed. The initial concept of mapping Building Regulations applications during the validation process will provide a management tool to ensure a fairer distribute of workloads to officers and has shown great potential in a pilot project. Additional work and resources are required to develop this project into a fully operational management tool. Identifying the appropriate fields within the existing Tascomi Te-Build system will ensure applications can be mapped in terms of location, type of application, purpose group and cost of works therefore identifying where work is being carried out in the borough and how complex is this work Further discussions between the GIS Officer and Tascomi to refine the data will progress over the next few months as well as carrying out testing of the system
Responsible Officer & Implementation Date- Head of Health and Built Environment, Building Control Manager 1st January 2019

Appendix I: Definition of Assurance Ratings and Hierarchy of Findings

Satisfactory Assurance

Evaluation opinion: Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified this should not significantly impact on the achievement of system objectives.

Limited Assurance

Evaluation opinion: There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.

Unacceptable Assurance

Evaluation opinion: The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.

Hierarchy of Findings

This audit report records only the main findings. As a guide to management and to reflect current thinking on risk management we have categorised our recommendations according to the perceived level of risk. The categories are as follows:

Priority 1: Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.

Priority 2: Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.

Priority 3: Failure to implement the recommendation could lead to an increased risk exposure.

Appendix II: Summary of Key Controls Reviewed

Risk	Control issues
Policies and procedures of the Building Control Department may not be in place leading to inconsistencies of how building control issues are addressed	• Documented procedures governing building control activities are in place i.e. building regulations, energy performance of buildings, street naming and property numbering, property certificates, ruinous and dilapidated buildings, vacant properties, dangerous structures; • Procedures should be reviewed on a regular basis and incorporate updated regulations; • Staff have access to and have been trained in procedures;
Building applications may not be processed accurately and promptly within agreed time limits leading to unnecessary delays in the assessment and inspection process.	• All applications when received by the Building Control Department are logged on an appropriate system • Each application is allocated to a Building control Officer • Appropriate information is recorded by the Business Support Officer for each application: • The application forms are checked and all information has been entered before the application is validated. • The applications are processed within the prescribed number of days e.g. 3 working days from receipt of application. • The Building Control Department has established internal targets for assessing plans submitted to the department
Fees and invoices are not managed appropriately and in a timely manner leading to errors in fees being received from applicants and delays in the receipt of income.	• Appropriate accuracy checks are carried out on the calculation of the fees. • Where the fees provided are incorrect, the applicant is contacted and this is recorded; • An application will not be processed until the full appropriate fee is received; • For building notice and regularisation applications, the full fee (which includes the plan and inspection fee) is paid on submission of the application and the fee is receipted as having been received / Acknowledged. • Where appropriate the Finance Department is informed to raise an invoice once the initial inspection has been conducted; • Fees (not all) are set by the Department of Finance and Personnel and are dependent on the nature and size of the works.

Risk	Control issues
Building control work is not carried out to the required standard leading to poor decision making in relation to approving plans, inspection work and issuing of completion certificates.	• Building Control Officers are suitably qualified to assess plans and carry out building control inspections • Applications are only approved after the Building Control Officer is satisfied they comply with Building Regulations. • Building Control Officers carry out statutory site inspections when notified and other site inspections when necessary. • Inspections are undertaken on a timely basis • Details of each inspection are logged onto the system • There is adequate recording of site inspection information on the system. • Information from the Northern Ireland Building Control Standards Panel, Fire Safety Panel and Training and Communication Panel is issued to staff on a timely basis.
It may be that building control work is not planned appropriately and the work is not prioritised correctly leading to missed deadlines or inefficient use of staffs' time.	• An Annual Business Plan for Building Control is in place • All building control activities are planned and managed using an appropriate software or system • Meetings are regularly held with staff to review progress and internal targets. • Regular meetings are held between Building Control manager and Head of the Health and Built Environment to discuss procedures and performance.