

**REDACTED**



**INTERNAL AUDIT FINAL REPORT  
HOUSING, PLANNING AND REGENERATION**

**REVIEW OF BUILDING CONTROL**

**Issued to:** Head of Building Control

**Cc (Final only)** Assistant Director, Planning and Building Control  
Director of Housing, Planning and Regeneration  
Head of Finance, ECS and Corporate

**Principal Auditor**

**Reviewed by:** Head of Audit and Assurance

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**Report No.:** PLA/08/2021

## **REVIEW OF BUILDING CONTROL**

### **INTRODUCTION**

1. This report sets out the results of our audit of Building Control. The audit was carried out as part of the work specified in the 2021-22 Internal Audit Plan agreed by the Section 151 Officer and Audit Sub-Committee. The controls we expect to see in place are designed to minimise the Council's exposure to a range of risks. Weaknesses in controls that have been highlighted will increase the associated risks and should therefore be addressed by management.
2. The Building Control service is demand led, with 1,421 Applications deposited and 2,266 Completions recorded during the 2021 calendar year. Departmental statistics indicate that Bromley's Building Control service had 39% of the market share in quarter three.
3. Following the retirement of the former Head of Service in 2018, the Building Control function operated under a series of interim arrangements until June 2021, when a permanent appointee commenced in post. The new Head of Building Control advised that prior to taking up the post, the service, which had continued to operate during a period of intense change, had additionally been functioning without the benefit of real time performance data and key performance indicators, which are fundamental to analysing pinch points and improving service delivery. These have now been put in place and continue to develop, heightening focus on areas where further work is required. Additionally, the Head of Building Control has developed a longer term service improvement strategy to increase income and drive up market share. This had been partially implemented at the time of fieldwork with, for example, the introduction of online fee payments and a successful recruitment drive.
4. At the time of concluding the Internal Audit, the service continued to evolve.
5. We would like to thank everyone contacted during this review for their help and co-operation.

### **AUDIT SCOPE**

6. The original scope of the audit was outlined in the Terms of Reference and the key risks reviewed were:-
  - Policies and procedures, including those for Building Control enforcement, are not fit for purpose, leading to a failure to meet statutory obligations

## REVIEW OF BUILDING CONTROL

- Building Control applications are not administered in a fair, consistent, timely and correct manner. Inappropriate advice may be given and incorrect decisions made
- Building Control inspection fees are not collected at all or in a timely manner
- Performance of the service is not monitored regularly, corrective actions are not taken to address any issues and the information/data is not used effectively to improve the quality and efficiency of the service
- Changes to service delivery and relaxation of governance arrangements may lead to weaknesses in the controls previously in place

## AUDIT OPINION

7. Our overall audit opinion, number and rating of recommendations are as follows.

AUDIT OPINION	
Reasonable Assurance	(Definitions of the audit assurance level and recommendation ratings can be found in Appendix B)

Number of recommendations by risk rating		
Priority 1	Priority 2	Priority 3
0	4	0

## REVIEW OF BUILDING CONTROL

### SUMMARY OF FINDINGS

8. The Building Control function operated under a series of interim arrangements between 2018 and June 2021. The new Head of Service has developed a longer term improvement strategy, heightening focus on areas where further work is required to increase income and drive up market share. The successful outcome of the recruitment drive undertaken during quarter four will provide additional stability and resilience to the service.
9. Our fieldwork highlighted a number of key strengths. We found that information on the website [www.bromley.gov.uk](http://www.bromley.gov.uk) is wide ranging and, during the course of the audit, some examples of comprehensive case work were seen.
10. We would, however, wish to bring the following four areas to Management's attention.

#### **1) Quality Framework**

The Building Control function is currently operating without the benefit of a definitive process map/procedure document or operational guide for navigating the Building Control module on the case management system and, there is not a process in place for management random quality assurance sampling of cases at different stages of the workflow, to ensure consistent application of guidelines and decision making. Additionally, it could not be evidenced that staff remain up to date with legislation and retain the professional standards required of the function, through qualifications, continuing professional development or personal development plans.

#### **2) Online Information**

The current online Building Control offer does not include the facility for applications for Full Plans, Building Notice and Regularisation approval to be submitted via a portal. The application forms, available to download, are in PDF format and therefore cumbersome for the applicant, do not address accessibility issues and the information contained within the form will require re-keying into the Building Control Case Management Software System, creating additional resource requirements.

#### **3) Reconciliation of Income on the Case Management to the Financial system**

The Case management system does not have a direct interface with the financial system and therefore there is no automatic reconciliation of the data (income) recorded on the systems. As part of the 2016-17 Internal Audit (ES/043/02/2016 dated 2nd August 2016), it was recommended that a periodic reconciliation of income recorded on both systems should be undertaken and any discrepancies investigated. This was re-recommended as part of the 2017-18 Follow Up Audit (CEX/25/2017/FU dated 23rd January 2018) but remains outstanding and is not a current workstream.

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### **4) Payment card details retained on file**

For one case, it was noted that details including the full 16 digit number, three digit security code and name and address of the card holder were held as a scanned document in the case management system. The expiry date recorded confirmed that this card was still valid. Whilst the Head of Building Control confirmed deletion of the document from the system as soon as it was brought to their attention, retention of the details after the transaction had been completed is non-compliant with Payment Card Industry Data Security Standards for data protection and increases the risk of card misuse and associated reputational damage.

## **DETAILED FINDINGS / MANAGEMENT ACTION PLAN**

11. The findings of this report, together with an assessment of the risk associated with any control weaknesses identified, are detailed in Appendix A. Any recommendations to management are raised and prioritised, together with management's responses and timescales for implementation. Appendix B details the definitions of the audit assurance and priority ratings.

**DETAILED FINDINGS AND ACTION PLAN****1. Quality Framework****Finding****Operational Procedures**

The overarching governance process for the Building Control service is the Local Authority Building Control organisation (LABC) 'Quality Management System Procedures Manual' guidance framework. This is not, however, currently underpinned by:-

- (i) a definitive process map/formal end to end written procedure for the delivery of the Building Control function
- (ii) operational guidance for navigating the Building Control module on the Case management system.

Whilst the Case management system is the main data repository, information is also stored within the [buildingcontrol@bromley.gov.uk](mailto:buildingcontrol@bromley.gov.uk) mailbox, personal E mail boxes and, historically, as paper records. As there is no interface between these systems, the procedures should clarify storage requirements to ensure filing consistency and accessibility of all relevant records. Additionally, the Case management system does not contain workflow functionality and therefore does not prompt the user to complete specific fields or carry out elements of the process in a specific order or in a timely manner, leading to inconsistencies in record keeping across cases.

Inconsistencies in the quality and availability of information identified during the testing include the level of detail provided within the 'Inspection Details' notes to support the decisions that were made and, fields not completed. There were also variations in the fields in which fees collected were recorded, with some fee payments located within the 'Payment details' section of the 'Charges' field and others within the 'Inspection Fee payments' of the 'Inspections' field within the Case management system.

The lack of definitive procedures and operational guidance could lead to processes, including for contraventions/enforcement, not being carried out consistently or in a timely manner, gaps in information and records of variable quality. Business continuity/resilience in the event of staff absence/turnover and, the induction process of recent appointees, could be hindered.

**Management oversight and technical competence**

Members of the Building Control team will have insight into cases outside of their allocation which are, for example, referred to them for guidance during the process (such as the Technical Support team referring to a surveyor or a surveyor referring to the Head of Building Control). However, there is no process in place for management random quality assurance sampling of cases at different stages of the workflow, to ensure consistent application of guidelines and decision making. Similarly, there is not a process in place to ensure that staff

**DETAILED FINDINGS AND ACTION PLAN**

remain up to date with legislation and retain the professional standards required of the function, through qualifications, continuing professional development or personal development plans.

**Risk**

Without management oversight of cases and a quality standards framework in place to measure and quality assure areas such as compliance with legislation, adherence to policy and, ensure completion of casework to the professional standards required of the function and in a timely manner, gaps may not be identified, errors may occur, and appropriate action may not be taken to improve quality and the efficiency of the service.

**Recommendation**

A quality standards framework/management oversight process should be put in place to monitor performance standards, ensure decisions are appropriate, timescales are adhered to and investigate deficiencies/variances. This should include the contraventions/enforcement element of the process. The resulting qualitative and quantitative performance data should be used to supplement the developing suite of Key Performance Indicators to drive performance improvement and market share.

Specific areas for consideration should include:-

**Operational Procedures**

- (i) supplementary procedure notes providing more detailed guidance as to how each element of the process should be carried out and recorded on systems and define minimum standards.
- (ii) procedure notes for operating and navigating the Building Control module on the Case management system.

**Management oversight and technical competence**

Processes should be put in place to:-

- (i) regularly quality assure a random sample of cases at different stages of the process, to ensure consistent application of guidelines and decision making.

**Rating****Priority 2**

**DETAILED FINDINGS AND ACTION PLAN**

(ii) ensure that staff remain up to date with legislation, retain and apply the professional standards required of the function.	
<p><b><u>Management Response and Accountable Manager</u></b></p> <p>The operational inconsistencies have been recognised by management and this has been largely due to no specific leadership of that team and therefore lack of direction of specific processes. This has been further impacted by staff working remotely at home. A team leader has recently been appointed who has responsibility for the people and processes and this will provide the much needed direction.</p> <p>There is regular informal interaction between management and surveyors on technical matters however, it is recognised that a more formal review of training and development needs is required and particularly for the incoming changes to the building control regime.</p> <p><b>Actions:</b></p> <ol style="list-style-type: none"> <li>1. "How to" guides to be introduced for the Case management system and technical support functions to provide clarity and consistency of the processes involved (Responsibility – Head of Building Control)</li> <li>2. Internal audit program to be introduced in line with ISO 9001 certification and annual audits carried out of the processes covered by the scope of the ISO 9001 certification with follow up actions as appropriate (Responsibility – Head of Building Control)</li> <li>3. Surveyors to provide evidence of their CPD record on annual basis and additional training and development needs to be identified (Responsibility – Head of Building Control)</li> </ol>	<p><b><u>Agreed timescale</u></b></p> <p>30 September 2022</p> <p>30 September 2022</p> <p>30 June 2022</p>

## DETAILED FINDINGS AND ACTION PLAN

**2. Online information [www.bromley.gov.uk](http://www.bromley.gov.uk)****Finding**

The current online Building Control offer does not include the facility for applications for Full Plans, Building Notice and Regularisation approval to be submitted via a portal. The application forms, available to download, are in PDF format and therefore cumbersome for the applicant, do not address accessibility issues and, the information contained within the form will require re-keying into the Building Control Case Management Software System.

**Risk**

- (i) The current process is not customer focused or compliant with the Council's website's usability and accessibility standards, meaning that applicants may be discouraged from, or not be able to, access services readily in some instances.
- (ii) Inability to submit forms via an online portal encourages postal/physical drop off at reception areas and creates additional resource requirements to re-enter data into systems.

**Recommendation**

The Building Control forms on [www.bromley.gov.uk](http://www.bromley.gov.uk) should be reviewed to ensure that all elements meet the Council's website and accessibility standards and that the 'offer' as a whole is both customer focused and encourages online submission.

**Rating**

Priority 2

**Management Response and Accountable Manager**

It is recognised that the application forms need updating. However, it is expected that the replacement case management system to the current system will have integrated online forms. Given the timescale for the replacement, to avoid any duplication of work, the review of the current online forms should form part of the implementation of the new software.

**Agreed timescale****Action:**

4. Renew application forms in line with implementation of new case management software  
(Responsibility – Head of Building Control)

May 2023

## DETAILED FINDINGS AND ACTION PLAN

**3. Reconciliation of Income on the Case Management to the Financial system****Finding**

The Case management system does not have a direct interface with the financial system and therefore there is no automatic reconciliation of the data (income) recorded. As part of the 2016-17 Internal Audit (ES/043/02/2016 dated 2nd August 2016) it was recommended that a periodic reconciliation of income recorded on both systems should be undertaken and any discrepancies investigated. This was re-recommended as part of the 2017-18 Follow Up Audit (CEX/25/2017/FU dated 23rd January 2018) but remains outstanding and is not a current workstream.

**Risk**

Fee income due may not be identified in a timely manner and therefore not collected within the relevant financial year or at all.

**Recommendation**

- (i) To ensure that all income is accounted for, a periodic reconciliation of the income recorded on both systems should be undertaken with any discrepancies investigated. Should an IT solution not be viable, a periodic manual sample based reconciliation should be undertaken.
- (ii) At the stage of procuring a replacement Building Control case management system, consideration should be given to the ability to interface with financial systems to automate the reconciliation process.

**Rating**

Priority 2

**Management Response and Accountable Manager**

The audit included random sampling of applications including the recovery of fees. While this was a small sample, there were no inconsistencies found.

There is no direct interface between the current systems, therefore an IT solution is not viable.

**Agreed timescale****Action:**

5. Introduce quarterly manual sample-based reconciliation until an IT based solution is available  
(Responsibility – Head of Building Control)

31 July 2022

**DETAILED FINDINGS AND ACTION PLAN****4. Payment card details retained on file****Finding**

For one payment in our sample, card details including the full 16 digit number, three digit security code and the name and address of the card holder were held as a scanned document in the case management system. The expiry date recorded confirmed that this card was still valid.

**Risk**

- (i) Non compliance with Payment Card Industry Data Security Standards for data protection.
- (ii) Increased risk of misuse of customer card and associated reputational damage.

**Recommendation**

All staff should be reminded that in the event of card details being provided for payment of fees, these details must be destroyed immediately the transaction is complete.

**Rating****Priority 2**

Note:- The Head of Building Control confirmed the deletion of the document from the system immediately it was brought to their attention and this scenario is less likely now with the introduction of an online payment option for Building Control fees.

**Management Response and Accountable Manager**

This was an administrative error and it is highly unlikely this will reoccur. The form the information was on has not been available for 2-3 years and the current payment methods do not require the writing down of such data.

The team have been advised of this incident and reminded that any full card details to be destroyed immediately the transaction is complete.

**Agreed timescale**

Completed April 2022

**OPINION DEFINITIONS**

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**APPENDIX B****Assurance Level**

<b>Assurance Level</b>	<b>Definition</b>
<b>Substantial Assurance</b>	There is a sound system of control in place to achieve the service or system objectives. Risks are being managed effectively and any issues identified are minor in nature.
<b>Reasonable Assurance</b>	There is generally a sound system of control in place but there are weaknesses which put some of the service or system objectives at risk. Management attention is required.
<b>Limited Assurance</b>	There are significant control weaknesses which put the service or system objectives at risk. If unresolved these may result in error, abuse, loss or reputational damage and therefore require urgent management attention.
<b>No Assurance</b>	There are major weaknesses in the control environment. The service or system is exposed to the risk of significant error, abuse, loss or reputational damage. Immediate action must be taken by management to resolve the issues identified.

**Recommendation ratings**

<b>Risk rating</b>	<b>Definition</b>
<b>Priority 1</b>	A high priority finding which indicates a fundamental weakness or failure in control which could lead to service or system objectives not being achieved. The Council is exposed to significant risk and management should address the recommendation urgently.
<b>Priority 2</b>	A medium priority finding which indicates a weakness in control that could lead to service or system objectives not being achieved. Timely management action is required to address the recommendation and mitigate the risk.
<b>Priority 3</b>	A low priority finding which has identified that the efficiency or effectiveness of the control environment could be improved. Management action is suggested to enhance existing controls.