



## **Internal Audit Report 2015-2016**

### **Building Control**

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Auditor  
November 2015**

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**Audit:** Building Control  
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# 1 Introduction

- 1.1 The Building Control Service provides advice, support, plan checking and site inspections in compliance with Building Regulations for the construction industry, residents, other professionals and internal customers. Responsibilities also include the processing and approval of building control applications.

# 2 Scope

- 2.1 The audit of the service and the scope was carried out in accordance with the annual audit plan and as agreed by the Service Manager. The previous audit was carried out during 2011/12.
- 2.2 The audit carried out testing on the controls within the following operations:
- Ensure fees are collected
  - Revenue is being monitored

# 3 Findings

- 3.1 The service has procedures in place for the administration of building control applications. These were last reviewed in December 2011. Internal Audit found that they were being reviewed at the time of the audit to reflect changes, including a process for the use of Civica. It is important to have up to date processes and procedures in place for the continuity of the service.
- 3.2 To ensure that procedures remain current and demonstrate best practice the service would need to date all procedures indicating, when they were reviewed and when the next review is due to take place.
- 3.3 An authorised list of Building Regulation fee charges is available to staff in hardcopy. These were approved and effective from 1st April 2010, in line with the Building (Local Authority Charges) Regulations 2010.
- 3.4 There are two categories of building control applications that can be submitted, they are a 'Building Notice' where only a planning fee is paid with the application or a 'Full Plan' where a planning fee is paid with the application and invoiced for the inspection element. A sample of 25 building control applications were reviewed and found to be correctly completed i.e. the planning element fees had been paid with the application or where required, an invoice had been raised for inspections.

- 3.5 Where an applicant requests a Completion Certificate, all fees must be paid before issue. To ensure certificates are not issued prior to payment the Admin Assistant runs exception reports from the Uniform system, this is to verify that invoices have been raised. Checks are also carried out to ensure payment has been received. Testing from a sample of 25, found that all fees had been paid in advance of the completion certificates being issued.
- 3.6 The service employs one full time and two part time Admin Assistants. One of the part time admin assistants completes the Building Control income reconciliations on a monthly basis. This reconciles between the Service's Uniform system and the council's financial system - Civica. The service should consider training other members of the admin team to ensure the continuity of the service in the event of absences.
- 3.7 The income reconciliation has a front sheet which is signed off by the service manager. This shows the balances from the Uniform and Civica reports and any differences explained. However, audit testing found that the front sheet balances did not reflect the report balances, only the amended figures. The reconciliation needs to show the original opening balances taken straight from the reports and the differences supported by documentation, so that this can be checked before being signed off as correct.
- 3.8 Financial Services provide the Service with monthly income position statements, in order for them to regularly monitor income. Since October 2010, under Building Control Cipfa Guidelines, the service are required to break even over, ideally, a three year period. To achieve this, the service needs to review their fees and charges on a regular basis. The service informed internal audit that this is carried out; however, no evidence could be provided to demonstrate this was the case.
- 3.9 Under Cipfa regulations the service is required to break even and to publish their annual financial statement each year. Internal Audit was informed by the Building Control Manager that they had been published, but there was no evidence to support this. The service needs to keep a copy of this publication in order to provide an audit trail and confirm compliance with the Building Control Cipfa Regulations 2010.
- 3.10 Out of 6 management performance indicators only one was not achieved, this is due to staff shortages; "Plans checked within 14 days of officer received date" has a target of 75%, 58.2% was achieved. This is monitored by the Building Control Service Manager and Head of Planning Services.

## 4 Conclusion

- 4.1 Generally, the raising and collection of Building control fees is maintained and operating as per the procedures in place. However, there are a few areas where improvements are required, mainly around the review of the fees and charges and monitoring of the breakeven position.

## **5 Recommendations**



- 5.1 An Action Table has been produced, see Appendix 1. In order to prioritise actions required, a traffic light indicator has been used to identify issues raised as follows:

Red – Significant issues to be addressed


Amber – Important issues to be addressed

Green – Minor or no issues to be addressed

## 6 Action Plan – Appendix 1

Paragraph Ref	Recommendation	Officer	Priority	Agreed?	Comments	Implementation Date
3.7	The front page of the income reconciliation shows original balances with supporting documentation for both balances and any differences.	Head of Planning Services	 Important (Amber)	Yes	IA will review when completed.	With immediate effect.
3.8	The service keeps documentary evidence to show that their fees and charges have been reviewed and agreed on an annual basis, even when no changes are required.	Head of Planning Services	 Important (Amber)	Yes	A statement commenting on the need to amend fees will be prepared each year when the financial statement for BC is produced.	March 2016

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3.9	Evidence needs to be retained of when and where the service publish their financial statement, in line with the Building Control Cipfa Guidelines 2010.	Head of Planning Services	 Important (Amber)	Yes	The financial statement will be published and retained on the website	End of financial year
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