

The Highland Council

Planning, Development and Infrastructure Committee

18 February 2015

Agenda Item	25
Report No	PDI 22/15

Uniform System Audit

Report by Director of Development and Infrastructure

Summary

The purpose of this report is to record the findings of an internal audit review of the Uniform System. The findings are attached as **Appendix 1** and the recommendations are being implemented with a target date for completion of May 2015.

1. Background

1.1 The purpose of this report is to record the findings of a review of the Development and Infrastructure's Uniform System. The Uniform System is used to manage planning applications, building standards services, and the corporate address gazetteer.

1.2 The objectives of the review were to ensure that:

- physical and logical access controls comply with expected best practice;
- application controls in terms of data input, interface processing, output reports, audit trail, backup, restore and business continuity are satisfactory; and
- license and support arrangements are in accordance with expected best practice.

2. Outcomes

2.1 The findings of the audit showed that the Uniform is a good system to manage both planning and building standards and, on the whole, operates well. However a significant improvement is required with regard to the reconciliation of fees paid by bank transfer (BACS). Unfortunately, unlike payments made via the online payments site or over the phone, payments made by BACS/bank transfer cannot be directly controlled by the Council, and are dependent on the customer following the guidance it provides. Since the review, this problem has been identified for other types of BACS payments, such as harbour fees and license applications, so it is a payment problem which is not specific only to the Uniform System. In the case of Uniform, Planning and Building Standards BACS/bank transfer payments will need to be monitored closely in future to ensure the recommended customer guidance improvements are having the desired effect. In addition, management reports need to be provided in order to give clear assurance that all expected fees are paid.

2.2 The internal audit report made five recommendations which have been accepted by the service. One is classified as high priority, and four are classified as medium priority. All of the recommendations are due to implemented by the end of May 2015, and work is progressing on these. Further information is available at **Appendix 1**.

2.3 Members may be aware that a major project is underway to improve the reliability and management of the Uniform system. This will involve moving to the most up to date version of the software, and the outcomes of this exercise, along with the implementation of the audit report conclusions, will be a positive step for the service.

3. Implications

3.1 Resource

Funding to implement the audit recommendations is contained within the service budget.

4.2 Legal and Risk Management

The implementation of the audit recommendations will strengthen the legal and risk governance arrangements associated with the operation of the Uniform system..

4.3 Equalities

There are no direct equalities implications.

4.4 Rural

There are no direct rural implications.

4.5 Climate Change, Carbon Clever and Gaelic

There are no direct climate change/Carbon Clever, and Gaelic implications.

Recommendation

The Members are asked to note the findings of the Internal Audit report on the Uniform System.

Designation: Director of Development and Infrastructure

Date: 6 February 2015

Author: Malcolm Macleod, Head of Planning & Building Standards

AUDIT REPORT SUMMARY

Report Title

Development and Infrastructure – Uniform System

Report No.	Type of Audit	Issue Date	
HE05/003.bf	Computer	Draft Report	16/10/14
		Final Report	11/11/14

1. Introduction

- 1.1 The purpose of this report is to record the findings of a review of the Development and Infrastructure's Uniform System. The Uniform System is used to manage planning applications, building standards services and the corporate address gazetteer. It is supplied by the company Idox. The 'Planning Performance Framework and Quarter 4 Performance Review' reported to Committee on 14 May 2014 that 4,616 applications were processed and £2.367 million of income was received during financial year 2013/14. With regard to building standards it was stated that there were 3147 warrants decided and 2361 completion certificates processed providing an income of £1.905 million for financial year 2013/14. This gives a total income for the year of £4.272 million.
- 1.2 Planning applications are entered into the Scottish Planning Online website and these applications are transferred to the Council's Uniform System and Online Planning Information Website. The Council's Online Planning Information Website is also provided by Idox. There is not yet a Scottish website to enable building standards applications to be submitted online, but one is currently being planned.
- 1.3 The Uniform system is also used to record the payment of fees for processing both planning applications, building warrants and a number of other service fees such as copies of planning documentation, pre-planning application advice, letters of comfort, updating the corporate address gazetteer, etc. For simplicity, the remainder of this report will only make reference to the two main services, namely the processing of planning applications and building warrants.
- 1.4 There is currently a project to move the three Idox systems, namely Uniform, Electronic Document Records Management and the Council's Online Planning Website from the Fujitsu Data Centre to the Idox Hosted Data Centre. It is due to be complete by the end of February 2015. A significant amount of work has been put into this project by Planning staff and the move will allow the Development and Infrastructure Service to update to a later version of the Idox software.

2. Review Objectives

The objectives of the review were to ensure that:

- 2.1 Physical and logical access controls comply with expected best practice.
- 2.2 Application controls in terms of data input, interface processing, output reports, audit trail, backup, restore and business continuity are satisfactory.
- 2.3 License and support arrangements are in accordance with expected best practice.

3. Main Findings

The main findings of the review, referenced to the above review objectives, are as follows:

- 3.1 This objective was partially achieved. Although there is a formal user registration system and user roles have been set up, there is no Access Control Policy for the Uniform System. Without an Access Control Policy, there is no access control standard which can be implemented and no safeguards for system administration staff and users. In addition the

number of user access roles has increased over time and now needs to be both reviewed and updated. Although a list of current users has been produced, an up to date report of their access levels is not available. Hence a review of access levels cannot be carried out quickly and efficiently.

- 3.2 This objective was partially achieved. The following expected controls are in place. Planning application data is input online by customers and checked by Planning staff whereas building warrant applications are emailed, or mailed, to an Area Planning and Building Standards Office and input by Planning staff. Interface processing is monitored and any errors actioned. Quarterly planning and building standards performance statistical reports are produced for management. Four separate electronic audit trails exist within the system. Back-ups, test restores and business continuity are all included within both the existing Fujitsu contract and new Idox hosted system contract. However three areas of concern were found.

Fee payments can be made via a variety of methods such as online via the Council's online payments site, or over the phone, or via a BACS transfer. Planning staff receive an Excel spreadsheet report of planning application and building warrant fee payments each day from the Finance Income Section. The Income Section initially allocates the payments to a suspense account and then Planning staff members have to review them, journal them to the correct ledger code and then record the payment in Uniform against the correct application. In view of this it is recommended that a more efficient process is pursued.

It was reported that the payment of fees via the Council's Online Payments Website and via the phone operates without significant problems. Conversely, the payment of fees by BACS has become a problem because some customers are failing to provide enough information to easily allocate the payment to the correct application. In the case of BACS payments if the customer does not enter an application reference number in the description field associated with the payment it can be difficult for Planning staff to allocate the payment. Unfortunately the Council cannot control what a customer enters in a BACS payment transfer description field. Although the Council's previous website had BACS payment guidance which requested that the customer email the Council with remittance advice at the same time as they make the payment, this guidance was not carried over to the new Council website. This was pointed out during the review and is to be addressed. Planning staff are to replace the term 'remittance advice' with 'payment details' as this term is thought to be clearer for customers. At the time of the review, there were 80 BACS fees received in 2013 with a value of £92,796 that were still unreconciled and 38 BACS fees received in 2014 up to 04/04/14 with a value of £16,837 which were also still unreconciled. It was reported that there have been occasions when payments have been chased up as missing when in fact they have already been paid.

In addition to the BACS payment problem, a weekly list of planning applications is produced and monitored. However, there is no report in the Uniform System which compares 'fees required' versus 'fees paid'. The lack of available payment reconciliation reports means there is no management assurance that all required fees - valued at £4.272 million in financial year 2013/14 - have been received. This implies that there is a risk that fees due to the Council are not being recovered.

There are 4 separate types of electronic audit trail within the Uniform System. They are not currently reviewed on a regular basis, nor are they managed to ensure that only the required audit information is retained.

- 3.3 This objective was partially achieved. A license and support agreement is in place for the existing arrangement and a license and support contract has been signed for the new hosted arrangement. However, the Uniform Service Description identifying the level of service provided by Fujitsu has not yet been finalised and signed off. Although the system will be hosted by the supplier, Fujitsu will still have some responsibility for interface controls and therefore the level of service they provide should be agreed and signed off.

4. Conclusion

- 4.1 The above findings show that the Uniform is a good system to manage both planning and building standards and on the whole operates well. However a significant improvement is required with regard to the reconciliation of fees paid by BACS or bank transfer. Unfortunately, unlike payments made via the online payments site or over the phone, payments made by BACS/bank transfer cannot be directly controlled by the Council and are dependent on the customer following the guidance it provides. Since the review, this problem has been identified for other types of BACS payments such as harbour fees and license applications, so it is a payment problem which is not specific only to the Uniform System. Hence this finding has also been passed to the Head of Exchequer and the Corporate Improvement Team to make them aware of it.
- 4.2 In the case of Uniform, planning and building standards BACS/bank transfer payments will need to be monitored closely in future to ensure the recommended customer guidance improvements are having the desired effect. In addition, management reports need to be provided in order to give clear assurance that all expected fees are paid.
- 4.3 There are five recommendations in this report. One is classified as high priority and four are classified as medium priority. All of the recommendations are due to implemented by the end of May 2015.

5. Audit Opinion

- 5.1 The opinion is based upon, and limited to, the work performed in respect of the subject under review. Internal Audit cannot provide total assurance that control weaknesses or irregularities do not exist. It is the opinion that **Reasonable Assurance** in that whilst the system is broadly reliable, areas of weakness have been identified which put some of the system objectives at risk, and/ or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk. The levels of assurance and their definitions can be found at Appendix 1.

AUDIT REPORT ACTION PLAN

Report Title

Report No.

Development and Infrastructure – Uniform System

HE05/003.bf

The Action Plan contains 5 recommendations as follows:

Description

Major issues that managers need to address as a matter of urgency.

Important issues that managers should address and will benefit the Organisation if implemented.

Minor issues that are not critical but managers should address.

Priority	Number
High	1
Medium	4
Low	0
Total recommendations	5

REPORT REF.	GRADE	FINDING	RECOMMENDATION	MANAGEMENT AGREED ACTION	IMPLEMENTATION	
					RESPONSIBLE OFFICER	TARGET DATE
3.1	Medium	<p><u>Access Control</u></p> <p>1) An Access Control Policy does not exist. There is, however, an overview document for permissions and logins, but it does not contain what is expected in terms of an access control policy. The users set up on the ePlanning website are not managed by ePlanning staff.</p> <p>2) There is not currently a report that Planning staff can find this information out quickly by enquiry if they need to about individual users. However there is a list of active users which identifies their roles in terms of their job titles. This does not identify their user access roles though.</p> <p>3) Within the system user roles have been set up. However, one of the system administrators reported there have been many user roles set up over time and these need to be</p>	<p>1) An Access Control Policy should be produced which covers all aspects of access to the system and its associated information.</p> <p>2) The supplier should be asked whether a report of user access levels can be produced. If not the spreadsheet of users should be updated to include their access levels.</p> <p>3) The user roles need to be reviewed and updated as required in accordance with the Access Control Policy.</p>	<p>1) Prepare Access Control Policy</p> <p>2) Seek confirmation from Supplier and put in place solution.</p> <p>3) Update user roles.</p>	<p>Performance and Systems Support Officer</p> <p>Performance and Systems Support Officer</p> <p>Performance and Systems Support Officer</p>	<p>31/01/15</p> <p>31/01/15</p> <p>31/01/15</p>

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REPORT REF.	GRADE	FINDING	RECOMMENDATION	MANAGEMENT AGREED ACTION	IMPLEMENTATION	
					RESPONSIBLE OFFICER	TARGET DATE
		sorted out using the process flows.				
3.2	High	<p><u>Input – Payment of Fees</u></p> <p>There are difficulties in tracking payments because payments and their corresponding applications were sometimes received at different times. In addition online bank payments received via BACS payment can go into the suspense ledger account and then journals have to be produced to allocate them to the correct ledger code. Because the customer does not enter an application reference number with the payment it can be difficult to allocate the payment to the application.</p>	<ol style="list-style-type: none"> 1) The Council website should be updated with clear, easy to understand, guidance to customers as to what is required for a BACS transfer payment. 2) In addition regular customers such as builder's agents should be emailed with guidance the guidance. 3) Reconciliation of fees to be monitored to ensure that the additional communication is improving the payment details supplied by the customer. 4) Management should investigate with the supplier whether it would save time and effort to automate of the update of planning and building fees as opposed to Planning staff having to re-key them. Idox software is used in 	<ol style="list-style-type: none"> 1) Guidance document to be loaded to the planning pages on the Council's internet site. 2) Guidance document to be emailed to the agents – email contacts to be taken from Uniform development management and building standards. 3) Monitor reconciliation of fees on regular basis. 4) Further discussion with other Local Authorities to take place to see what others do regarding an automated interface for payments. 	<p>Performance and Systems Support Officer/HQ Planning Technicians</p> <p>Performance and Systems Support Officer</p> <p>Head of Planning and Building Standards</p> <p>Performance and Systems Support Officer</p>	<p>31/12/14</p> <p>31/12/14</p> <p>31/01/15</p> <p>31/03/15</p>

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REPORT REF.	GRADE	FINDING	RECOMMENDATION	MANAGEMENT AGREED ACTION	IMPLEMENTATION	
					RESPONSIBLE OFFICER	TARGET DATE
			over 300 other local authorities therefore it is quite possible this facility has already been provided to one or more of them.			
3.3	Medium	<p><u>Output - Reports to Reconcile Payments versus Receipts</u></p> <p>There are no reports in the Uniform System which provide assurance that all the payments that are required have been received for both planning applications and building warrants.</p> <p>One method to gain assurance that Planning and Building Standards fees have been received and are both complete/correct would be to review 2 reports from the Uniform System. Each report would have 4 fields. The fields are:</p> <p>For Planning Income Reconciliation Report:</p> <ul style="list-style-type: none"> • Planning Application Ref • Date of Application • Planning Fee Required • Planning Fee Received. <p>For Building Standards Income Reconciliation report:</p> <ul style="list-style-type: none"> • Building Warrant Ref 	<p>Two reports should be produced to reconcile payments. There should be a report produced to show planning fees required versus planning fees received. Similarly there should be a report produced to show building warrant fees required versus building warrant fees received.</p>	<p>A specification sheet sent to Idox for preparation of 4 new access reports to be written.</p>	Performance and Systems Support Officer	28/02/15

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					RESPONSIBLE OFFICER	TARGET DATE
		<ul style="list-style-type: none"> Date of Application Building Warrant Fee Required Building Warrant Fee Received. <p>In terms of selection criteria the reports would:</p> <ul style="list-style-type: none"> Need to be run for Dates of Application within the last financial year (1 April 2013 to 31 March 2014 inclusive) Retrieve rows where the 'Fee required' does not equal the 'Fee received' as these rows would identify if there are any differences which need to be actioned. 				
3.4	Medium	<p><u>Audit Trails</u></p> <p>The system administration manual says there are 4 types of audit trail within Uniform, namely:</p> <ol style="list-style-type: none"> 1) An events log for monitoring user logins 2) A general audit trail 3) A payments audit trail 4) A receipts audit trail. <p>The audit trails are not being monitored or managed on a proactive basis in line with the supplier's guidance. The Receipts audit trail goes back to 1998 which is</p>	<ol style="list-style-type: none"> 1) Audit trails should be reviewed on a regular basis, e.g. quarterly, to ensure no unauthorised activity is taking place. 2) In addition, audit trails should be monitored and only retained for as long as they are required. 	<p>A working process for checking and deleting audit trail and log depending on service requirements will be prepared and implemented.</p>	<p>Performance and Systems Support Officer</p>	<p>31/05/15</p>

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REPORT REF.	GRADE	FINDING	RECOMMENDATION	MANAGEMENT AGREED ACTION	IMPLEMENTATION	
					RESPONSIBLE OFFICER	TARGET DATE
		longer than is required and will be using up unnecessary space.				
3.5	Medium	<p><u>Service Description</u></p> <p>A license and support agreement is in place for the existing arrangement and a contract has been signed for the new hosted arrangement. However, the Uniform Service Description has not yet been finalised and signed off. Although the system is to be hosted, Fujitsu will still have some responsibility for interface controls.</p>	<p>The Project Manager for the new hosted Uniform System should be asked to ensure Service Description for the hosted system is signed off.</p>	<p>This will be integrated into the new Hosting arrangement.</p>	<p>ICT Project Manager</p>	<p>28/02/15</p>