



South Kesteven District Council

Internal Audit Progress Report

Audit Committee Meeting: 26 September 2013

Introduction

The internal audit plan for 2013/14 was approved by the Audit Committee on 14th March 2013. This report provides an update on progress against that plan and summarises the results of our work to date.

Since the start of the financial year we have finalised eleven reports including the first follow up report which was presented at the June 2013 Committee meeting and the remaining finalised reports are being presented at this meeting.

Final Reports Issued

Assignment <i>Reports considered today are shown in italics</i>	Status	Opinion	Recommendations Agreed (by priority)			Total	Agreed
			High	Medium	Low		
Audits to address specific risks							
<i>Pool Cars (1.13/14)</i>	<i>FINAL</i>	AMBER RED	0	4	3	7	7
<i>Corporate Governance (3.13/14)</i>	<i>FINAL</i>	GREEN	0	0	2	2	2
<i>Code of Conduct and Register of Interests (4.13/14)</i>	<i>FINAL</i>	GREEN	0	0	1	1	1
<i>Fleet Management (5.13/14)</i>	<i>FINAL</i>	AMBER GREEN	0	3	3	6	6
<i>Disabled Facilities Grants (6.13/14)</i>	<i>FINAL</i>	GREEN	0	0	1	1	1
<i>Car Parks (Enforcement) (7.13/14)</i>	<i>FINAL</i>	AMBER GREEN	0	4	3	7	7
<i>Income Collection (8.13/14)</i>	<i>FINAL</i>	GREEN	0	0	3	3	3
<i>Leisure Management Contract (9.13/14)</i>	<i>FINAL</i>	AMBER GREEN	0	3	1	4	4
<i>Waste and Recycling (10.13/14)</i>	<i>FINAL</i>	AMBER GREEN	0	4	2	6	6
<i>Reactive Repairs and Maintenance (11.13/14)</i>	<i>FINAL</i>	GREEN	0	1	4	5	5

Planning and Liaison:

At the time of this Committee fieldwork has been completed for the Absence Management review and a draft report will be issued shortly. Fieldwork is also underway for the reviews of Licensing, Asset Management Plan and Planning – pre applications charges.

Internal Audit Plan 2013/14- Change Control:

Action	Date	Agreed By
3 extra days for Stamford Car Parks Income Review	September 2013	Head of Finance

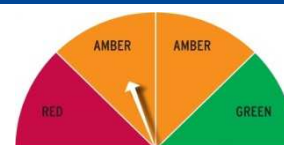
Internal Audit Performance

Assignment	Debrief date	Draft report issued	Management responses received	Final report issued
Pool Cars (1.13/14)	10 May 2013	28 June 2013	31 July 2013	1 August 2013
Corporate Governance (3.13/14)	29 May 2013	4 June 2013	11 June 2013	12 June 2013
Code of Conduct and Register of Interests (4.13/14)	13 June 2013	25 June 2013	25 June 2013	25 June 2013
Fleet Management (5.13/14)	21 June 2013	5 July 2013	6 August 2013	7 August 2013
Disabled Facilities Grants (6.13/14)	26 June 2013	5 July 2013	29 July 2013	29 July 2013
Car Parks (Enforcement) (7.13/14)	3 July 2013	9 July 2013	31 July 2013	5 August 2013
Income Collection (8.13/14)	5 July 2013	17 July 2013	12 August 2013	13 August 2013
Leisure Management Contract (9.13/14)	19 July 2013	1 August 2013	15 August 2013	16 August 2013
Waste & Recycling (10.13/14)	19 July 2013	7 August 2013	3 September 2013	05 September 2013
Reactive Repairs and Maintenance (11.13/14)	9 August 2013	28 August 2013	3 September 2013	4 September 2013

Key Findings from Internal Audit Work

Assignment: Pool Cars (1.13/14)

Opinion: Amber Red



Headline Findings:

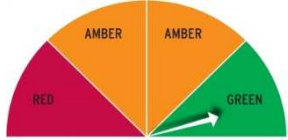
Our review identified that the control framework in place was generally robust however areas of non-compliance with controls were noted and as a result of our work **four 'medium'** risk and **three 'low'** risk recommendations have been raised. All of which were accepted by management.

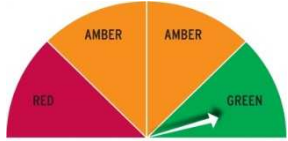
These medium risk recommendations related to:

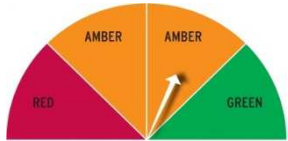
- There is currently no formal Pool Car policy in place. The Pool Car Policy is only in draft form and will need to be approved once the option agreed by Members for the future of the Pool Car Scheme has been implemented.
- Driving licence checks are not being undertaken in a consistent manner across different departments. Copies of paper and card licences are not signed to confirm originals were seen.
- Staff who request a pool car and are not allocated one, are not given sufficient time to make alternative travel arrangements.
- Examples were witnessed of the keys for vehicles being collected but the vehicle not being removed from the car park.

Action	Responsible Officer	Date
<p>Recommendation 1 - Medium Risk</p> <p>Once the pool car scheme has been revised, based on the options documented within the Pool Car Usage and Management Business Case, an overarching Pool Car policy should be developed to include:</p> <ul style="list-style-type: none"> ➤ booking and allocation of vehicles; ➤ resulting actions for failure to use booked vehicles; ➤ recharging of usage; ➤ responsibilities for cleanliness; ➤ vehicles being used in a safe and responsible manner; ➤ vehicle log sheet completion; ➤ condition checks and defect reporting; and ➤ driving license checks. <p>All pool car users should sign to accept the terms and conditions as stated in the policy.</p> <p>The policy should be reviewed bi-annually and updated as required.</p>	<p>Team Leader Operations</p>	<p>30 September 2013</p>
<p>Recommendation 3 - Medium Risk</p> <p>Management should ensure that driving licences are checked for all Pool Car users and a log is retained and updated on an annual basis. Copies of both paper and photo card licence should be held on file and countersigned by a delegated manager to confirm original have been seen.</p> <p>Management should ensure that staff are made aware of the need to disclose any penalty points or conditions imposed by the DVLA.</p>	<p>Team Leader Operations</p>	<p>30 September 2013</p>

<p>Recommendation 5 - Medium Risk</p> <p>Officers making a booking should be allocated to a pool car at the time of making the request rather than being placed on a waiting list.</p> <p>This way, Officers will be informed at the time of booking whether there is a car available, and if not, have sufficient time to make alternative travel arrangements.</p>	<p>Team Leader Operations</p>	<p>30 September 2013</p>
<p>Recommendation 6 - Medium Risk</p> <p>Management should ensure that staff are made aware of the need to only book Pool cars when required for visits/ appointments.</p> <p>Management should consider a minimum charge for all bookings to be incurred when a pool car is booked, which is not refundable when a booking is cancelled.</p>	<p>Team Leader Operations</p>	<p>31 March 2014</p>

<p>Assignment: Corporate Governance (3.13/14)</p>	<p>Opinion: Green</p> 
<p>Headline Findings:</p> <p>Our review identified that there were sufficient and robust controls in place which were being consistently applied. Two 'low' risk recommendations were raised both of which were accepted by management.</p>	

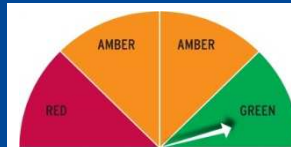
<p>Assignment: Code of Conduct (4.13/14)</p>	<p>Opinion: Green</p> 
<p>Headline Findings:</p> <p>Our work in this area confirmed that there is a robust control framework in place and that the controls are being applied. One 'low' risk recommendation was raised which was accepted by management.</p>	

<p>Assignment: Fleet Management (5.13/14)</p>	<p>Opinion: Amber Green</p> 
<p>Headline Findings:</p> <p>Overall the control framework in place was robust however our work identified instances of non-compliance with the controls in place. As a result of the work undertaken three 'medium' and three 'low' risk recommendations were raised. All of which were accepted by management.</p> <p>The medium risk recommendations related to:</p> <ul style="list-style-type: none"> ▪ The Council has in place the Roadbase system; however this is not used to record details of service undertaken and therefore service schedules are produced manually based on paper records. ▪ The Vehicle Replacement Programme has not been subject to review and shared with all relevant departments. ▪ It was found that driving licence checks had not been carried out on all staff driving Council vehicles and there is currently no Council policy regarding penalty points. 	

Action	Responsible Officer	Date
<p>Recommendation 2- Medium Risk</p> <p>The Council should utilise the Roadbase system to record details of all Fleet Vehicles and to use the system as a Fleet Management system.</p> <p>This should include recording all service and MOT dates to ensure that schedules can be produced based on system data.</p>	Transport Manager	30 September 2013
<p>Recommendation 4- Medium Risk</p> <p>a) The Vehicle Replacement Programme should clearly state the actual expected replacement date for each vehicle, including those which have been extended from original expectation dates.</p> <p>b) The Programme should be formally reported to the Service Director for approval and should be shared with all relevant Service Managers who have been assigned use of Council vehicles.</p>	Transport Manager	30 September 2013
<p>Recommendation 5 - Medium Risk</p> <p>Staff should be reminded to submit their Driving licences for checking on a regular basis. The Council should consider its current policy with regards to the requirement for staff to inform their line manager immediately of any penalty points obtained to ensure the manager can make an informed decision on whether the staff member remains appropriate to drive Council Fleet. This should apply to the checking process where penalty points are noted on the drivers licence, guidance should be developed to state whether action needs to be taken when penalty points are received.</p>	Operations Director / Head of Environment Services	30 September 2013

Assignment: Disabled Facilities Grants (6.13/14)

Opinion: Green

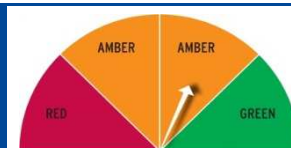


Headline Findings:

Our review identified that there were sufficient and robust controls in place which were being consistently applied. **One 'low'** risk recommendation was raised which was accepted by management.

Assignment: Car Parks (Enforcement) (7.13/14)

Opinion: Amber Green

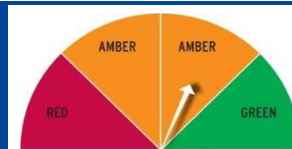


Headline Findings:

As a result of our audit discussions and testing undertaken we raised **four 'medium'** and **three 'low'** risk recommendations. All recommendations were accepted by management.

The medium risk recommendations raised related to the following:

- Discrepancies in income received against the machine audit ticket over £5.00 in value are documented but no investigation takes place. Staff within the car parks administration team receive cash collection records but do not review these as they were not aware of the content.
- Agreed patrol routes have not been documented by APCOA and made available to the Council.
- Invoices received from APCOA do not contain sufficient detail including a clear and precise breakdown of patrols within car parks in both Stamford and Grantham showing an accumulative total of hours spent within each individual car park.
- Clear photographs of the vehicle windscreen are not always provided within the evidence file to support the penalty charge notice issued.



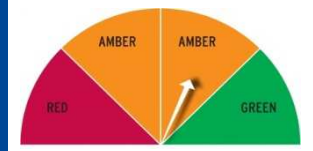
Headline Findings:

Overall there is a sound control framework in place but our testing did identify areas where the control framework and application of these controls could be strengthened. As a result of our work **three 'medium'** and **one 'low'** risk recommendations have been raised. All of which were accepted by management.

The medium risk recommendations relate to the following:

- Leisure Centre inspections are not always being carried out weekly as required. Additionally inspections are not being carried out in the absence of the designated officer;
- Monitoring checks are not being undertaken to ensure that the weekly inspections are being undertaken; and
- For the period February – June 2013, it was confirmed that of the 88 inspections carried out, only 83 (94%) inspections were recorded on the Month End Rectifications Points summary sheet. In one case there was an error made in recording the potential penalty points on the Month End Rectifications Points summary sheet.
- No monitoring is currently carried out by the Council to ensure that valid DBS (Disclosure and Barring Service) checks have been undertaken by the Contractor for all staff employed at the leisure centres

Action	Responsible Officer	Date
<p>Recommendation 2 - Medium Risk</p> <p>a) The Council should undertake a review to determine the frequency of the site inspections and the inspections should be carried out in accordance to this frequency;</p> <p>b) Monitoring arrangements should be put into place to ensure that the site inspections are being carried out as required; and</p> <p>c) To ensure that there is continuity in the inspection process; arrangements should be put into place for the inspections to be carried out in the absence of the designated officer.</p>	Team Leader – Leisure & Amenities	31 October 2013
<p>Recommendation 3 - Medium Risk</p> <p>To ensure that all site inspections as well as the potential and outstanding points are recorded accurately on the Month End Rectifications Points summary sheet and to also minimise the risk or errors being made in recording the data, a review should be undertaken by the Council on how best to capture all the data from the inspection reports to the Month End Rectifications Points summary sheet.</p>	Team Leader – Leisure & Amenities	31 October 2013
<p>Recommendation 4 - Medium Risk</p> <p>Monitoring checks should be undertaken during the site inspection to confirm DBS checks have been carried out by the Contractor on all staff employed at the leisure centres.</p>	Team Leader – Leisure & Amenities	31 January 2014



Headline Findings:

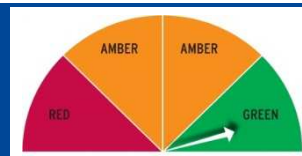
Our review identified that the control framework in place was generally sound however areas of non-compliance with controls were noted and as a result of our work **four 'medium' risk** and **'two' low risk** recommendations have been raised. All of which were accepted by management.

These medium risk recommendations related to:

- The current Waste and Recycling policy which covers matters such as missed bin collections is in draft format only.
- Random, unannounced spot checks should be undertaken broadly in line with procedure, every three months. Sample testing identified that all vehicles within the waste and recycling fleet had been inspected at least once since January 2013. However 10/36 vehicles had been inspected only once.
- It also cannot be confirmed that any issues or non-conformances identified during these inspections were subsequently resolved.
- One new starter (from nine) was not assessed 'on the job' by the service training crew before being allowed to drive a refuse collection vehicle.

This review of the Waste and Recycling service was undertaken following a limited assurance opinion being provided during the previous audit review in November 2012. Six recommendations (One high risk, two medium risks, and three low risks) were raised during the previous review which resulted in an overall red/amber assurance status for the service. Of the six previously raised recommendations, four were considered to be implemented to a satisfactory standard. The remaining two recommendations are not considered to have been implemented to the required standard and the matters have therefore been raised again. As a result, management should place focus upon continuing to develop and finalise the Waste & Recycling Policy (Medium Risk) and ensure that complaints are responded to within the designated timescales (Low Risk).

Action	Responsible Officer	Date
<p>Recommendation 1 - Medium Risk</p> <p>Management should ensure the Refuse and Waste Collection policy is finalised and approved by the responsible Strategic Director and then reviewed every three years.</p>	Service Manager/ Head of Service/ Operations Director	30 September 2013
<p>Recommendation 2 - Medium Risk</p> <p>Spot checks should be undertaken at least every quarter, as per the procedure.</p>	Service Manager	Embedded by 31 August 2013
<p>Recommendation 3 - Medium Risk</p> <p>The monitoring spreadsheet should be reviewed to include extra columns for 'issues identified/non- conformances', and 'action taken', to record the information on the monitoring forms.</p> <p>This would then enable the Operations Team Leader to maintain an overview of the issues requiring rectification, and a central point of reference to identify where improvements are required and the actions taken.</p>	Service Manager	31 August 2013
<p>Recommendation 4 - Medium Risk</p> <p>All new starters should be reassessed 'on the job' to ensure they fully understand their induction and can safely apply the principles taught.</p>	Service Manager	31 August 2013



Headline Findings:

Our review identified that there was a sound control framework in place however areas of non-compliance with controls were noted and as a result of our work **one 'medium'** risk and **'four' low** risk recommendations have been raised. All of which were accepted by management.

The medium risk recommendation related to:

- Post inspection of the repairs the operatives are working on (which are carried out at the same time as the vehicle and driver health and safety checks) are not always being carried out.

Action	Responsible Officer	Date
Recommendation 2 - Medium Risk Post inspection of repairs should be carried out as required.	Team Leader / Assistant Service Manager	31 December 2013

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

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