

# Transport and Environment Committee

10.00am, Thursday, 31 March 2022

## Place Directorate Internal Audit – Actions Update

Executive/routine Wards Council Commitments	Routine All
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### 1. Recommendations

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- 1.1 Transport and Environment Committee is asked to note:
  - 1.1.1 The progress made on the overdue Internal Audit management actions relating to the services within the remit of this Committee; and
  - 1.1.2 That remaining open actions will be either be closed before April 2022, or by a revised implementation date (which is supported by an action plan which has been agreed with Internal Audit).

**Paul Lawrence**

Executive Director of Place

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## Place Directorate Internal Audit – Actions Update

### 2. Executive Summary

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- 2.1 This report sits alongside the referral report from the Governance, Risk and Best Value Committee on 8 March 2022 on overdue findings. This report provides an update on progress on management actions arising from Internal Audits which specifically relate to services which fall within the remit of this Committee.
- 2.2 The Place Senior Management team (SMT) are committed to ensuring appropriate action is taken to progress open internal audit actions to conclusion, with appropriate focus on closure of all high rated findings and all findings that are over one year overdue.

### 3. Background

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- 3.1 On [8 March 2022](#), Governance, Risk and Best Value Committee considered a report on overdue findings and key performance indicators presented by Internal Audit (IA). The report was based on information prepared 26 January 2022.
- 3.2 This report was referred to Transport and Environment Committee for information and is included on this meeting agenda.
- 3.3 On 27 January 2022, Transport and Environment Committee requested a report to the next committee detailing any further closed actions and how remaining actions could be closed before the end of April 2022. Committee noted that there were seven actions open.

### 4. Main report

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- 4.1 Appendix 1 provides an updated summary of the overdue Internal Audit actions as at 26 January 2022 which fall within the remit of the Transport and Environment Committee.
- 4.2 The report details seven Internal Audit management actions which are overdue on their original implementation date which relate to the remit of this Committee. These actions sit within audit areas:
  - 4.2.1 Road Services Improvement Plan – PL1808 (six) and

4.2.2 Street Lighting and Traffic Signals – PL1810 (one).

- 4.3 Since 26 January 2022, two further actions from the Road Services Improvement Plan audit have been marked as closed and one further action has been marked as implemented (awaiting review by IA). The final action from the Street Lighting and Traffic Signals audit has also been marked as implemented.
- 4.4 There are currently three that remain open. Of these, Action 1.3 is scheduled to be closed before the April deadline.
- 4.5 However, the remaining two actions have revised implementation dates beyond April 2022. This reflects the need to ensure that controls are fully implemented and that open risks are appropriately addressed. Further detail is provided at Appendix 1.
- 4.6 There are a small number of overdue management actions which relate to Internal Audits on Council processes which are being implemented across all Council Services. These include services within the remit of this Committee. These include:

#### **RES1809 – Supplier Management Framework and CIS Payments**

4.6.1 Outstanding actions relate to support and guidance for contract managers, and risk assessments for tier 1 and 2 contracts. These actions have since been marked as closed.

#### **CE1902 – Policy Management Framework**

4.6.2 Issue 1.2b has now been marked as closed. Internal Audit have now agreed to rebase evidence requirements for remaining actions.

#### **CW1702 - Resilience BC**

4.6.3 The actions under this audit all now have revised implementation dates to recognise that the Council will prepare new Business Impact Assessments once service resumption post COVID-19 is completed.

#### **CW1914 - Unsupported Technology (Shadow IT) and End User Computing**

4.4.4 Rec 1.4c – This has been submitted as implemented and is awaiting IA review. Rec 2.1b – This requires inclusion in the Place Annual Assurance Return and implementation date has been amended to reflect this.

## **5. Next Steps**

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- 5.1 Officers will continue to progress with implementation of management actions arising from Internal Audits and will aim to conclude these within the agreed timescales.

## **6. Financial impact**

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- 6.1 There are no financial impacts arising from this report.

## **7. Stakeholder/Community Impact**

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7.1 None.

## **8. Background reading/external references**

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8.1 None.

## **9. Appendices**

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9.1 Appendix 1 – Transport and Environment Committee Extract Summary of Internal Audit: Overdue Findings as at 26 January 2022.

**Appendix 1 – Transport and Environment Committee Extract Summary of Internal Audit: Overdue Findings and Key Performance Indicators as at 26 January 2022**

Audit Ref PL1808	Audit Title – Road Services Improvement Plan				Responsible manager: Cliff Hutt	
Finding reference	Issue Type (Finding Rating)	Agreed Management Action	Original Implementation Date	Revised Implementation Date	Current Status	Status Update
1.1	High	The Roads Service Improvement Plan (the Plan) will be reviewed following completion of the organisational restructure and will consider the points noted in the recommendation. A review of the financial operating model will also be undertaken with the aim of embedding a new budget structure for the service. Once completed the Plan business case will be refreshed to reflect any significant changes.	30/04/2020	01/09/2021	Implemented	This action has been implemented and closure is awaiting IA review.
1.3	High	The re-based plan will be managed in line with the Project Management Toolkit for Major Projects. The plan will be managed by the Roads service Performance Coordinator once appointed in the revised structure.	20/12/2020	01/04/2022	In progress	Evidence is being compiled and will be submitted to IA in advance of revised implementation date.
1.4	High	A post implementation review of both the new organisational structure (31 March 2020) and completed Roads Service Improvement Plan (the Plan) actions (March 2021) will take place to assess the effectiveness of the new service and any requirements for change, and the impact of the changes delivered through the Plan.	31/03/2021	01/11/2022	In progress	The implementation date for this action was revised to recognise the delay in implementing the new service structure as a result of COVID-19. This review will now be completed by 01/11/2022.
2.1	High	One of the roles included in the new Roads structure is a Roads Service Performance Coordinator. The team member appointed to this role will be responsible for designing; implementing; and maintaining a performance and quality assurance framework that will incorporate the recommendations made to	31/07/2020	31/08/2022	In progress	Strategy and Insight have now created a performance dashboard. Date has been revised to allow for reporting cycle requirements of IA action to be met.

		<p>support ongoing monitoring and management of the Roads service.</p> <p>This will involve ensuring that all Roads teams develop team plans that include key performance measures; outline their respective roles and responsibilities for delivery; and are aligned with overall Council's commitments that are relevant to Roads.</p>				
2.2	High	<p>1. The existing Transport Design and Delivery quality framework will be revised to reflect the new Roads and Transport Infrastructure Service and rolled out across the service. As part of this review, the recommendations highlighted above will be considered and incorporated where appropriate. The Design, Structures and Flood Prevention Manager will be responsible for refreshing the quality 30/06/2021 31/03/2021 In progress Evidence of implementation submitted to Internal Audit on 01/04/2021, 14/04/2021 and 16/04/2021. Internal audit have requested additional information in order to close this action. 88 framework once appointed.</p> <p>2. A sampling regime will be designed and embedded for safety inspections to ensure that defects are being categorised properly. This process will be designed and implemented by the Team Leader for Safety Inspections to be appointed as part of the ongoing restructure.</p> <p>3. A sampling regime will be designed and embedded for road defect repairs to ensure that repairs are fit for purpose and effective.</p> <p>4. Key performance indicators for each team will be included in the target setting for each 4th tier manager and their direct reports to ensure focus on these measures. Emerging themes from Team Plans and quality assurance reviews will</p>	30/06/2020	30/06/2021	<b>Closed</b>	<b>Closed</b>

		also be shared with Roads teams, and individual and team training needs will be considered based on the themes identified. This process will be designed and implemented by the Service Performance Coordinator to be appointed as part of the ongoing restructure.				
4.1	Low	A new process will be developed within the Confirm system which requires reconciliation between accident claim enquiries and those logged on the Local Authority Claims Handling System (LACHS) system.	28/05/2020	31/03/2021	Closed	Closed

Audit Ref PL1810	Audit Title – Street Lighting and Traffic Signals				Responsible manager: Cliff Hutt	
Finding reference	Issue Type (Finding Rating)	Agreed Management Action	Original Implementation Date	Revised Implementation Date	Current Status	Status Update
2.1	Medium	Clear processes will be designed, recorded (in the Street Lighting Operational guide), and implemented to ensure that following completion of wards in the EESLP: - progress with electrical testing is monitored and actioned; and - checks are performed over the completeness and accuracy of all inventory data held on Confirm (e.g. routine sample testing across the wards).	20/12/2019	30/06/2022	Implemented	This action has been implemented and closure is awaiting IA review.

		Following the completion of further wards in the EESLP, Internal Audit will perform sample testing to ensure the data held on Confirm is accurate and complete, and that electrical testing outcomes are being recorded. IA will also confirm that the inventory checks have been designed and implemented. It is expected that the EESLP will complete in late 2021, and therefore an implementation date of 31/03/2022 has been agreed with IA.				
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