

# Transport and Environment Committee

10.00am, Thursday, 17 June 2021

## Place Services 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:
  - 1.1.1 Note the progress made on recommendations made on Internal Audit actions relating to the services within the remit of this Committee;
  - 1.1.2 Recognise the complexities and issues which have delayed progress and have led to revised implementation dates for some management actions; and
  - 1.1.3 Note that there are audit actions which have been agreed corporately, which services which sit within the remit of this Committee are working on.

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# Report

## Place Services Internal Audit – Actions Update

### 2. Executive Summary

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- 2.1 This report sits alongside the referral reports from the Governance, Risk and Best Value Committee on 23 March 2021 and 8 June 2021 on Internal Audit: Overdue Findings and Key Performance Indicators. The 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.

### 3. Background

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- 3.1 On 23 March and 8 June 2021, the Governance, Risk and Best Value Committee considered reports on overdue findings and key performance indicators presented by Internal Audit. The first report was based on information prepared on 10 February 2021 and the second with information prepared on 27 April 2021.
- 3.2 These reports were referred to Transport and Environment Committee for information and are included on this meeting agenda as items 8.1 and 8.2.
- 3.3 An update on overdue Internal Audit actions was included within the Business Bulletin for Transport and Environment Committee on [22 April 2021](#).

### 4. Main report

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- 4.1 Within the remit of the Transport and Environment Committee, there are three Internal Audits which were included in the referred report of 8 June 2021. These are:
- 4.1.1 Payments and Charges (CW1803) (three actions);
  - 4.1.2 Waste and Cleansing Performance Management Framework (PL1807) (one);
  - 4.1.3 Road Services Improvement Plan – PL1808 (10); and
  - 4.1.4 Street Lighting and Traffic Signals – PL1810 (four).
- 4.2 Appendix 1 provides an update on the overdue Internal Audit actions against each of these audits. In summary:
- 4.2.1 Since 27 April 2021, eight internal audit actions have been closed;

- 4.2.2 Two actions were closed on the Payments and Charges audit. There is one remaining action which is almost complete;
  - 4.2.3 One action related to the Waste and Cleansing Performance Management Framework. There are no further actions open on this audit;
  - 4.2.4 Three actions closed relate to the Roads Improvement Plan and two actions have been marked as implemented, with evidence to support the closure of these actions provided to Internal Audit. There are six actions which remain open. Three have revised implementation dates in the future and the evidence required to close these actions has been agreed. Transport and Internal Audit colleagues are working to agree on the evidence required to close the three overdue actions which do not have revised implementation dates; and
  - 4.2.5 Two actions closed relate to Street Lighting and Traffic Signals. There are three actions remain open which have revised implementation dates in the future.
- 4.3 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**

- 4.3.1 Issue 1.2(3) – relates to supplier management quality assurance. This action has a revised implementation date of 01/08/2021;
- 4.3.2 Issue 1.3 – relates to support and guidance for contract managers. The implementation date for this action has been revised to 30/09/2021;

**CE1902 – Policy Management Framework**

- 4.3.3 Issue 1.2b – relates to a review of the completeness and accuracy of the Council's policies and online policy register. The date for implementation of this action has been revised to 31/07/2021 to enable the required review to be completed.

**CW1702 - Resilience BC**

- 4.2.4 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 and a new Senior Management Structure for the Council has been implemented.

## **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 27 April 2021

**Appendix 1 – Transport and Environment Committee Extract Summary of Internal Audit: Overdue Findings and Key Performance Indicators as at 27 April 2021**

Audit Reference: PL1807		Audit Title: Waste and Cleansing Services – Performance Management Framework			Responsible Manager: Andy Williams		
Finding Reference	Issue Type (Finding Rating)	Agreed Management Action	Original Implementation Date	Revised Implementation Date	Current Status	Status Update	Reference in Appendix 1 of IA Report of 27 April 2021
1.3	Low	<p>The Policy Handbook will not be updated to reflect items suitable for inclusion in residual waste bins as it is not updated frequently enough to ensure that this information would be up to date and accurate.</p> <p>A clearer link to the Scottish Government’s <a href="#">Code of Practice on Litter and Refuse</a> guidance will be included in all customer communications and on the website</p>	27/12/2019	01/11/2020	Closed	<p>The evidence to close this action was submitted on 27/10/2020.</p> <p>On 08/04/2021, Internal Audit returned the action to started with a request for evidence that the link to CoPLAR is included in customer communications.</p> <p>The service has confirmed that there are no direct customer communications on Street Cleansing and therefore it will not be possible to provide the evidence requested.</p>	160

Audit Reference: 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	Reference in Appendix 1 of IA Report of 27 April 2021
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	01/06/2021	Implemented	This action has been implemented and evidence submitted to Internal Audit for consideration.	113
1.2	High	On appointment of the tier 3 and 4 management team, a re-base of the improvement plan will take place and the revised plan will be submitted to the Council's Change Board and the Transport and Environment	31/07/2020	01/12/2020	Closed	The evidence of implementation on this action was submitted on 24/03/2021.	110

		Committee for approval, with ongoing progress updates provided to both forums.					
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	01/05/2021	In Progress	The evidence of implementing this action is close to being complete and will be shared with Internal Audit shortly.	114
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	01/08/2022	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 01/08/2022.	115
2.1	High	One of the roles included in the new Roads structure is a Roads Service Performance Coordinator.	31/07/2021	30/09/2021	In Progress	Following discussion between the service and Internal Audit, the implementation	116

		<p>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 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>				<p>date for this has been revised.</p> <p>The evidence required to close has been agreed.</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</p>	30/06/2021	31/03/2021	Implemented	<p>Evidence of implementation submitted to Internal Audit on 01/04/2021, 14/04/2021 and 16/04/2021.</p>	111

		<p>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 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>					
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		<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.</p> <p>Emerging themes from Team Plans and quality assurance reviews will also be shared with Roads teams, and individual and team training needs will be considered based on the themes identified.</p> <p>This process will be designed and implemented by the Service Performance Coordinator to be appointed as part of the ongoing restructure.</p>					
3.2a	Low	Design and implement a training framework for all relevant Inspectors in line with the newly adopted 'Road Safety Inspection and Defect Categorisation Procedure'	31/01/2020	01/06/2021	Closed	This action has been implemented and evidence provided to Internal Audit on 12/02/2021.	112
3.2b	Low	Design and implement a training framework for all	31/01/2020	01/01/2021	In Progress	This action was previously	117

		relevant Inspectors in line with the newly adopted 'Road Safety Inspection and Defect Categorisation Procedure'				implemented, however, following discussion with Internal Audit, the action has been revised. A revised implementation date is still to be agreed.	
3.3	Low	On appointment, the new Service Performance Coordinator and Team Leader – Safety Inspections will work with Pitney Bowes (the supplier of the Confirm system) to develop a new process to plan and monitor safety inspection performance	31/03/2020	30/06/2021	In Progress	Following discussion between the service and Internal Audit, the implementation date for this has been revised.  The evidence required to close has been agreed.	118
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	31/12/2020	In Progress	This action was implemented and evidence provided to Internal Audit on 10/02/2021. Additional information has been requested by Internal Audit and the team are working closely with Internal Audit on this and a revised implementation date will be agreed.	119

Audit Reference: PL1810		Audit Title: Street Lighting and Traffic Signals			Responsible Manager: Cliff Hutt/Gavin Brown		
Finding Reference	Issue Type (Finding Rating)	Agreed Management Action	Original Implementation Date	Revised Implementation Date	Current Status	Status Update	Reference in Appendix 1 of IA Report of 27 April 2021
Issue 2, Rec 1	Medium	<p>Street Lighting Clear processes will be designed, recorded (in the Street Lighting Operational guide), and implemented to ensure that following completion of wards in the EESLP:</p> <ul style="list-style-type: none"> <li>• progress with electrical testing is monitored and actioned; and</li> <li>• checks are performed over the completeness and accuracy of all inventory data held on Confirm (e.g. routine sample testing across the wards</li> </ul>	20/12/2019	31/03/2022	In Progress	<p>This action was revised at 30/03/2021.</p> <p>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</p>	150

Issue 3, Rec 1	Low	Street Lighting and Traffic Signals Operational Guides will be developed, implemented, and reviewed to ensure that processes align with current regulatory requirements.	30/09/2019	30/06/2021	In Progress	Operational Guide for Street Lighting was submitted on 07/12/2020. The Traffic Signals Operational Guide will be completed by 31/06/2021.	151
Issue 3, Rec 2	Low	Street Lighting and Traffic Signals  An essential Learning Matrix that specifies the refresher training that the team requires to complete on an ongoing basis has been developed and provided to Learning and Organisational Development for their review and feedback, with no response received as yet.  The matrix will now be implemented and employee training requirements will be assessed (and agreed) as part of the Annual Conversations.	20/12/2019	30/06/2021	Closed	This action has now been closed.	152
Issue 4, Rec 3	Low	<i>Traffic Signals</i> Processes for the completion and retention of the checklist to be included in appropriate Operational Guide	31/03/2020	31/06/2021	In Progress	This has been include in the operational guide and will be submitted when the guide is complete.	153

Audit Reference: CW1803		Audit Title: Payments and Charges - Parking			Responsible Manager: Gavin Brown		
Finding Reference	Issue Type (Finding Rating)	Agreed Management Action	Original Implementation Date	Revised Implementation Date	Current Status	Status Update	Reference in Appendix 1 of IA Report of 27 April 2021
5.2	Medium	NSL Apply offers improved control mechanisms by automating many processes and tasks, including payments. These are currently not being used. Implementations of these controls, along with a formalised payment acceptance procedure will ensure correct payments are received and further reduce any anomalies. The payment acceptance procedure will confirm that the Council does not accept part payment for parking permits and only reduces the price when the applicant is a disabled persons' blue badge holder. The procedure will establish a quality assurance payment sampling processes for implementation across Business Support teams who administer parking permits	31/03/2020	01/08/2020	Closed	This action has now been closed.	68

5.3	Medium	A quality assurance payment acceptance procedure will be developed to ensure the accuracy of parking permit payments. This process will be based on the Internal Audit recommendations.	31/03/2020	01/08/2020	Closed	This action has now been closed.	69
5.4	Medium	Financial reconciliations between the systems have commenced reinstatement. Work is underway to build a management information suite which will augment the control attributes of the reconciliation as a standalone mechanism.	28/02/2020	30/06/2021	In Progress	This action is almost complete.	70