



Internal Audit

REPORT

GROUNDS MAINTENANCE 2007-08

To: **Diane Burridge** **Director of Operations**

For information: Alasdair Bovaird Chief Executive
Michael Perry Assistant Chief Executive
Ron Pridham Head of Street Services
Barry Stansfield Area Services Officer

1. Introduction

An audit of **Grounds Maintenance** has been carried out as part of the 2007-08 audit plan. Detailed tests have been carried out on the systems of control and the management of risk within this area.

2. Findings and recommendations

The detailed findings and recommendations are set out in the attached appendices. A Management Action Plan is attached and we should be grateful if you would arrange for its completion and return by **21 January 2008**. A satisfaction survey has been sent to the Head of Street Services.

3. Conclusions

No significant problems were identified during our work. It can therefore be concluded that the systems of control are functioning satisfactorily. The risk of error or maladministration is therefore low.

Sheila Bronson
Acting Audit Manager
20 December 2007

Audit of Grounds Maintenance 2007-08

1.1 AREAS COVERED DURING THE AUDIT

The key areas of **possible** risk identified at the planning stage of the audit were as follows:

- a) The Contractor fails to maintain the Grounds specified in the Contract to a standard satisfactory to the Council;
- b) Residents complain that maintenance works are disruptive, or do not meet their expectations;
- c) The amount of additional works required exceeds expectations;
- d) There is no Risk Register identifying and scoring the risks threatening Grounds Maintenance, or the identified risks are uncontrolled;
- e) There are insufficient trained staff available to monitor the Grounds Maintenance Contract;
- f) The Contract comes to an end, or the existing Contractor goes out of business, before a suitable Contractor can be engaged;
- g) Ongoing expenditure is not monitored, or exceeds the Budgeted amount;
- h) Weather conditions make it impossible for the Contractor to carry out scheduled Grounds Maintenance works;
- i) There are no documented procedures defining the tasks necessary to monitor the contract effectively, or to act as reference material for new staff;
- j) Residents cannot obtain information about Grounds Maintenance or find it difficult to ask for additional works to be carried out.

The methodology stated in the Terms of Reference document was used to establish and test the controls that management have in place for mitigating or reducing the above risks to an acceptable level.

1.2 OVERALL AUDIT OPINION

Subject to the matters raised below it was confirmed that effective controls are in place to support the administration of Grounds Maintenance. We are therefore pleased to report that the likelihood of significant error or maladministration is low.

1.3 PREVIOUS RECOMMENDATIONS

The last audit of Grounds Maintenance was completed in June 2002 and a follow up was completed in October 2003. The Memorandum issued at the conclusion of the follow-up review indicated that, of the five recommendations made in June 2002, four had been partially or fully implemented and the fifth was considered less significant. One new recommendation was made, to improve the contract monitoring and management arrangements. We recommended that more stringent checks on ad-hoc and welfare

Audit of Grounds Maintenance 2007-08

work should be adopted, such as spot inspections of the locations to confirm completion of work.

Since October 2003 significant changes have occurred: a new Contract for Grounds Maintenance has been let, Area Services Officers have left the Council's employ, and because of the Council's financial position there is a need to make considerable savings. Interviews with staff established that they consider that the present Contractor offers a high quality and reliable service. It has been decided to discontinue routine inspections of grounds included in scheduled works and instead carry out snap inspections.

2007-08 AUDIT

1.4 DOCUMENTED PROCEDURES

Documented procedures are an effective control against the risk that insufficient trained staff are available to monitor the Contract, in addition to being a necessary part of a Business Continuity plan. When we asked to see available procedures the Area Service Officer provided one produced some time ago as a joint effort by all of the then Area Services Officers, and another by the Administration team. In our view the document provided by the Area Services Officer is both too brief and refers to practices such as the monthly Inspections of scheduled works. We do not consider that this document would be suitable as a training aid for new staff or that they would be useful as part of a Continuity plan. The Administration team's procedures are more comprehensive but make frequent references to documents which "... will only be issued by the officer", do not refer to the current Contractor's proper name (Veolia) and identify individuals employed by the Contractors' staff and their email addresses. This risks emails not being deliverable if the staff concerned leave the Contractor's employ. This document would benefit from a review and revision. **We therefore recommend that** all procedures are reviewed and brought up to date to reflect changes to working practices and to contractors.

1.5 OPERATIONAL RISK REGISTER

It was decided to use the Covalent system to maintain operational risk registers. All Heads of Division have been invited to attend training in the use of Covalent. On completion of this training it is envisaged that the draft operational risk registers maintained in Excel will be transferred to Covalent. As this report was being prepared the Head of Street Services had not made arrangements to attend the training. The draft risk register for Grounds Maintenance indicates that controls to mitigate the risks defined in it would be in place in May 2006. One of the 9 defined risks refers to documented procedures. As we have recommended above, documented procedures should be improved. Audit has identified other operational risks which are not included in the draft.

We therefore recommend that: -

(a) the Head of Division arranges to attend the Covalent training; and

(b) the draft Risk Register is reviewed and revised to ensure that all operational risks are identified, assessed and added to the Covalent version of the Risk Register with suitable controls and implementation dates.

1.6 PAYMENT OF CONTRACTORS' INVOICES

During Audit fieldwork we measured the interval between receipt of Invoices by the Council and their being presented to Exchequer for payment. In some cases the interval came close to exceeding the 30 days specified by the BV8 performance indicator (*Percentage of invoices for commercial goods & services paid by the Authority within 30*

Audit of Grounds Maintenance 2007-08

days of receipt or within the agreed payment terms). Analysis of the procedures in place established that the process of ensuring that ad-hoc works being charged for have actually been ordered is thorough and maintains a satisfactory separation of duties, but involves considerable passing of papers between different officers. Because a new Purchasing system is to be introduced early in 2008, and is likely to change all payments procedures, we are content to identify the current risk of delay but not make any specific recommendation.

1.7 INFORMATION AVAILABLE TO THE PUBLIC

We reviewed relevant information published on the Council's We-site. It is confined to references to 'Gardens Maintenance' (the Welfare Gardening scheme) but this is 'owned' by Housing. A page entitled a '**Summary of Horticultural Standards Within Grounds Maintenance Contract**' was identified but the Area Services Officer considers that it contains incorrect information and should not exist. It is possible that this could affect the Council's reputation if misleading information is presented. Reviewing a sample of other Councils' Web-sites established that many find it worthwhile to provide quite comprehensive information about their Grounds Maintenance arrangements, such as identifying the Grounds maintained and explaining how residents can influence this. **We therefore recommend that:** -

- (a) a suitable information page is designed and published on the Web-site; and
- (b) the Webmaster is asked to correct or remove the incorrect page and links to it.

Jonathan C. Smith,
Internal Auditor
November 2007



Internal Audit

MANAGEMENT ACTION PLAN

Audit	GROUNDS MAINTENANCE2007-08					
Report Paragraph	Recommendation	Significance * Low ** Med *** High	Agreed / Not agreed	Officer Responsible	Officer Comments	Implementation date
1.4	All procedures should be reviewed and revised to bring them up to date to reflect changes to working practices and to contractors. (Re-iterated from the 2002-03 Audit)	**	Yes	Barry Stansfield	Procedure Ordering	July 2008. Depends on new Ordering System.
1.5	a) The Head of Street Services should arrange to attend the Covalent training, and b) the draft Risk Register should be reviewed and revised to ensure that all operational risks are identified, assessed and added to the Covalent version of the Risk Register with suitable controls and implementation dates	***	Yes To include Barry Stansfield	Chris Demmer; Ron Pridham; Barry Stansfield		(a)Complete. (b) June 2008
1.7	a) A suitable information page should be designed and published on the Web-site, and b) the Webmaster should be asked to correct or remove the incorrect page and links to it.	* **	Yes			July 2008 Completed

Agreed ____ Ron Pridham ____ (Head of Division) Date ____ 10/02/08 ____