

**CITY & COUNTY OF SWANSEA
FINAL INTERNAL AUDIT REPORT
WASTE, CLEANSING & PARKS
CLEANSING SERVICE 2019/20**

1. Introduction

- 1.1 An audit has been completed of the Cleansing Service which is part of the Parks Operations Division within the Waste Management and Parks Service.
- 1.2 The audit reviewed the procedures in place and included detailed testing on the following areas:
- Employees
 - Vehicles
 - Expenditure
 - Stock
 - Income
 - Inventory
 - Purchase Card
 - Travel Claims
- 1.3 The objectives of the audit were to ensure that material business risks have been identified and that the controls in place are adequate for the purpose of minimising business risk and are operating in practice.
- 1.4 This is the first audit of the Cleansing Section since it has been placed under the responsibility of the Parks Operations Division.
- 1.5 Detailed findings are recorded below and the recommendations arising are included in the attached Management Action Plan.

2. Work Done / Findings

2.1 Employees

- 2.1.1 An up to date Authorised Signatory list is not in place for the service and it was therefore not possible to confirm that all timesheets had been approved by an authorised officer.
- 2.1.2 A sample of Universal Timesheets (UTS) for three months (June 2018, October 2018 & February 2019) was selected for testing to check the reasonableness of hours worked and rates of overtime paid. This test proved satisfactory.
- 2.1.3 It was noted during the sample testing that two of the overtime payments were to Refuse workers who had worked at the weekend for the Cleansing Section. The extra hours were not on the UTS for Cleansing but had been recorded on the Refuse UTS.

- 2.1.4 It was also noted that Stand-By payments are being made to officers in the section who are on stand-by for the Highways Section. The payments made were approximately £7.5k per annum.
- 2.1.5 The audit revealed that a large number of staff are employed through an agency and hours worked are recorded on daily timesheets and weekend working timesheets.
- 2.1.6 It was found that the information from the timesheets is collated and sent to the Purchasing Officer at Home Farm who completes an order on Oracle detailing hours worked. A sample check of three months was carried out to confirm that information had been correctly transferred to the Purchasing Officer and an order completed. The number of hours invoiced by the agency are verified to the order by officers in Accounts Payable in Finance before the invoice is paid. All our testing carried out proved satisfactory.
- 2.1.7 A report of all employees was produced from Oracle and was checked by the Finance & Administration Manager to ensure that all employees were recognised and currently employed. This check proved satisfactory.
- 2.1.8 Some employees were found to be working using a manual flexitime system. When reviewed, the parameters of the scheme did not correspond to those of the Council's Flexitime Policy with the following differences being evident:
- Start times prior to 7.30am - With some as early as 5.40am.
 - Credit balances carried forward exceeding 12.00 hrs, with one as high as 59 hrs.
 - More than one flexi leave day in a period.
- 2.1.9 We were advised that these amendments to the corporate Flexitime Policy had been approved by the previous Group Leader (Parks & Cleansing) in order to meet operational needs. However, evidence of this approval could not be provided.

2.2. Vehicles

- 2.2.1 A check was carried out on a sample of five vehicles to ensure that vehicle logs were being completed. All testing carried out proved satisfactory.
- 2.2.2 It was confirmed that a number of staff take Council vehicles home overnight. However it was found that the authorisation forms for a number of officers were out of date and had not been reviewed.
- 2.2.3 Testing was carried out to confirm that reports are run off the Triscan fuel system by the Finance and Admin. Manager and sent to Area Managers for review. This test proved satisfactory.

2.3 Expenditure

- 2.3.1 A sample of 20 purchases was selected from the budget cost centres to confirm compliance with the Council's Accounting Instructions, Contract Procedure Rules and Spending Restrictions. All testing carried out proved satisfactory.

- 2.3.2 A report was obtained from Oracle listing all suppliers with whom the Service had spent more than £5k in 2018/19. A check was then carried out to confirm that corporate contracts were in place or that quotations had been obtained. Two suppliers were found where there was no contracts in place and quotations had not been obtained.

Supplier	Total Expenditure	Goods Purchased
Grangewood Plastic	£15k	Supply of black bags
Flying Penguin	£12k	Sweeper brushes

2.4 **Stock**

- 2.4.1 The only items purchased that are classed as “Stock” are black refuse sacks and these are stored at the Pipehouse Wharf depot. It was found that there were no formal records being maintained of issues or of the number of sacks currently in stock.

2.5 **Income**

- 2.5.1 A sample of eight invoices was selected and checked back to source documentation to confirm the invoices were raised for the correct amount. Our testing revealed:

- a) The work carried out on behalf of Mumbles Community Council and Pontarddulais Community Councils was not covered by a contract or service level agreement.
- b) There is no current agreement with Swansea BID and we were advised that they are refusing to pay the annual £4k contribution for 2019/20.

- 2.5.2 It was noted in regard to the charges being levied on both the Community Councils and BID that it was unclear on what basis these charges were being calculated.

- 2.5.3 Evidence was also not provided to show that the fees charged for graffiti removal and ad hoc work had been approved by the Head of Service.

2.6 **Inventory**

- 2.6.1 Checks carried out revealed that the inventory of equipment was maintained satisfactorily on a computer database (GOLD system).

- 2.6.2 However, it was found that the annual inventory check for March 2018 and March 2019 had not been carried out and that Inventory Certificates had not been completed.

- 2.6.3 A check of a sample of disposals in May 2018 to ensure they had been correctly authorised and disposed of proved satisfactory.

- 2.6.4 An eligible purchase encountered during our expenditure testing was successfully traced to the Inventory record.

2.7 Purchase Card

2.7.1 There are two supervisors based in the Service who have Purchase Cards. It was confirmed that the cards were kept with the officers at all times and that the PINs were only known to the cardholders.

2.7.2 A review of one month's transactions for each card holder was carried out to confirm compliance with the Council's usage policy and all testing carried out proved satisfactory.

2.8 Travel Claims

2.8.1 A sample of four Officers' claims was selected for testing from the period January-February 2019. For three of the officers, it was found that it was not possible to confirm whether the mileage claimed was accurate. Details are shown in the table below.

Employee No	Month of Claim	Findings
003151	February 2019	Only general areas visited recorded. Also unable to confirm if Home to Work to Home mileage deducted as required.
003103	February 2019	Only general areas visited recorded. Also unable to confirm if Home to Work to Home mileage deducted as required.
003148	January 2019	Only general areas visited recorded. Also unable to confirm if Home to Work to Home mileage deducted as required.

2.8.2 A check was also carried out to confirm that driving licence and vehicle documents had been checked on an annual basis. It was found that evidence of appropriate vehicle insurance had not been checked for two of the employees in our sample – No's. 003151 and 003148.

3. Conclusion

3.1 The Internal Audit Section operates a system of Assurance levels which gives a formal opinion of the achievement of the service's/system's control objectives. The Assurance levels vary over four categories: 'High', 'Substantial', 'Moderate' and 'Limited'.

3.2 Recommendations arising from this review are detailed in the attached Management Action Plan. Each recommendation has been prioritised according to perceived risk – High, Medium, Low and Good Practice. The overall Assurance level is based on the recommendations made in the report.

3.3 The description of each type of recommendation and also the basis for each of the Assurance levels is noted in Appendix 1.

- 3.4 Based on the audit testing undertaken, it was found that a number of procedures were not in place and being adhered to, resulting in one High Risk, four Medium Risk and seven Low Risk recommendations.
- 3.5 As a result, an Assurance Level of '**Moderate**' has been given. This indicates that the ineffective controls represent a significant risk to the achievement of system objectives.
- 3.6 We will contact you in due course to confirm that you have implemented the agreed recommendations.
- 3.7 This audit was conducted in conformance with the Public Sector Internal Audit Standards

Appendix 1**Classification of Audit Recommendations**

Recommendation	Description
High Risk	Action by the client that we consider essential to ensure that the service / system is not exposed to major risks .
Medium Risk	Action by the client that we consider necessary to ensure that the service / system is not exposed to significant risks .
Low Risk	Action by the client that we consider advisable to ensure that the service / system is not exposed to minor risks .
Good Practice	Action by the client where we consider no risks exist but would result in better quality, value for money etc.

Audit Assurance Levels

Assurance Level	Basis	Description
High Assurance	Recommendations for ineffective controls affecting the material areas of the service are not High or Medium Risk. Any recommendations are mainly Good Practice with few Low Risk recommendations.	There is a sound system of internal control designed to achieve the system objectives and the controls are being consistently applied.
Substantial Assurance	Recommendations for ineffective controls affecting the material areas of the service are not High Risk. Occasional Medium Risk recommendations allowed provided all others are Low Risk or Good Practice.	There is a sound system of internal control but there is some scope for improvement as the ineffective controls may put the system objectives at risk.
Moderate Assurance	Recommendations for ineffective controls affecting the material areas of the service are at least Medium Risk.	The ineffective controls represent a significant risk to the achievement of system objectives.
Limited Assurance	Recommendations for ineffective controls affecting the material areas of the service are High Risk.	The ineffective controls represent unacceptable risk to the achievement of the system objectives.

**WASTE, CLEANSING & PARKS
CLEANSING SERVICE
MANAGEMENT ACTION PLAN
2019/20**

REPORT REF	RECOMMENDATION	CLASS (HR; MR; LR; GP)	AGREED ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE
2.1 Employees					
2.1.1	An Authorised Signatory list should be compiled for the Service.	MR	Compile the list.	Liz Bennett	30 th August 2019
2.1.3	Where employees work on behalf of the service the hours worked should be recorded and approved on the Cleansing Universal Timesheet.	LR	Make appropriate changes.	Liz Bennett	Complete
2.1.4	Where officers are engaged by Highways, all costs should be allocated to the to the relevant Highways cost centre.	LR	Liase with Highways and implement.	Liz Bennett	30 th August 2019
2.1.9	All staff in the Service should adhere to the corporate flexitime policy unless there is a clear service need to adopt an alternative model. Any variations to the corporate policy must be clearly documented and approved by the Head of Service and Employee Services.	HR	Meeting held with affected parties. Policy is now being adhered to including ongoing monitoring.	Stuart Willingale	Complete

REPORT REF	RECOMMENDATION	CLASS (HR; MR; LR; GP)	AGREED ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE
2.2 Vehicles					
2.2.2	A review should be undertaken of all staff who currently take vehicles home overnight and all authorisation forms should be up to date.	LR	Will apply across Parks and Cleansing.	Jeremy Davies	29 th November 2019
2.3 Expenditure					
2.3.2	CPRs should be adhered to where single or cumulative expenditure with a supplier exceeds £5k.	MR	This was highlighted in the Parks audit 2018 and significant change has already been implemented to prevent recurrence.	Jeremy Davies	Complete
2.4 Stock					
2.4.1	Stock records should be maintained for the control of black refuse sacks.	LR	Stock to be placed in a secure area and 6-monthly stock take to occur.	Stuart Willingale	30 th September 2019
2.5 Income					
2.5.1 a/b)	SLAs should be agreed with the two Community Councils highlighted and Swansea BID.	LR	Anticipated to be very challenging re the CC's and ultimately potentially unachievable. Bid are charged ADHOC now. If not possible to agree SLAs HOS service should be consulted to approve way forward. With BID if ongoing £4k charge not to be levied again HOS should be consulted for approval.	Stuart Willingale	31 st October 2019
2.5.3	The charges levied by the Service should be formally approved by the Head of Service.	LR	Review charges to ensure cost recovery and submit to HOS	Jeremy Davies	31 st October 2019

REPORT REF	RECOMMENDATION	CLASS (HR; MR; LR; GP)	AGREED ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE
2.6 Inventory					
2.6.1	The Inventory should be checked annually and an Inventory Certificate completed.	LR	Agreed	Liz Bennett	30 th September 2019
2.8 Travel Claims					
2.8.1	All employees should be reminded of the travel and subsistence policy and all claims should be completed in sufficient detail to allow the journey mileage to be verified as per the policy. Any home to base mileage should also be deducted from any claims.	MR	Resolved with training by Stuart Willingale in July 2019 at the Cleansing Management monthly Team meeting.	Stuart Willingale	Complete
2.8.2	The officers highlighted should be asked to provide evidence of vehicle insurance cover.	MR	003148 under suspension complete upon return to work. 003151 was already checked and documented at Home Farm.	Stuart Willingale	Return to work date