

**FINAL INTERNAL AUDIT REPORT**  
**CHIEF EXECUTIVE'S DEPARTMENT**

**REVIEW OF STAFF CAR PARKING - AUDIT FOR 2013-14**

**Issued to:** Mark Bowen, Director of Corporate Services  
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**Cc:** Peter Turner, Director of Finance  
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**Prepared by:** Principal Auditor

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**Report No.:** CX/054/01/2013

## REVIEW OF STAFF CAR PARKING AUDIT FOR 2013-14

### INTRODUCTION

1. This report sets out the results of our systems based audit of **Staff Car Parking Audit for 2013-14**. The audit was carried out in Quarter 2 as part of the programmed work specified in the 2013-14 Internal Audit Plan agreed by the Section 151 Officer and Audit Sub-Committee.
2. The controls we expect to see in place are designed to minimise the department's exposure to a range of risks. Weaknesses in controls that have been highlighted will increase the associated risks and should therefore be corrected to assist overall effective operations.
3. The original scope of the audit was outlined in the Terms of Reference issued on 22 August 2013. The period covered by this report is from the launch of the scheme in October 2012 to-date.
4. In early 2011, with the support of a Car Parking Review Group, the Authority undertook an initial review of staff car parking at the Civic Centre, and subsequently allocated car parking spaces (without charge) to those meeting agreed criteria. In April 2012, a Consultation exercise was notified to staff known to be using Civic Centre car parking, which detailed the proposed charging for staff holding parking permits. Linked to this, the Authority undertook a review of the essential car user criteria. As a result of this exercise, staff were advised in July 2012 of the proposals to introduce a range of charges from 1 Sept 2012, but due to delays in signed agreements being returned, this was subsequently delayed until 1 Nov 2012. Although the launch and initial administration of the scheme had been the joint responsibility of HR and Facilities & Support Services, the ongoing responsibility for the administration was subsequently transferred to the Facilities & Support Services.

### AUDIT SCOPE

5. The scope of the audit is detailed in the Terms of Reference.

## REVIEW OF STAFF CAR PARKING AUDIT FOR 2013-14

### AUDIT OPINION

6. Overall, the conclusion of this audit was that substantial assurance can be placed on the effectiveness of the overall controls. Definitions of the audit opinions can be found in Appendix C.

### MANAGEMENT SUMMARY

7. Controls were in place and working well in the areas of retention of supporting documentation and the processing of staff charges.
8. In the knowledge of continuing Central Government funding reductions, the Authority decided as part of its budget options to consider introducing car parking charges for staff and Members who held parking permits following the car parking allocation review undertaken in 2011. At the time of the release of the Consultation Document on 29 March 2012 which detailed the proposals for the introduction of car parking charges to LBB staff and Members, it was anticipated that these arrangements would generate £150k initially in year 1 (2012-13), rising to £300k pa thereafter. However, following the full launch of the charging scheme in October 2012, it soon became evident that the initial income projections were not going to be achieved. Actual take-up of permits was lower than had been expected but the decision to not charge Essential Car Users for parking had an even greater impact. Due to the shortfall in income Senior Management agreed in November to fund the difference by way of budget transfers from all departments, and in total £85k was allocated back to staff parking income.
9. The impact of the above resulted in an amended budgeted annual income of £75k and data extracted at the end of July 2013 indicated an income target of £73k – rising to £78k if the ‘Pay-as-you-go’ facility at Rafford Way was included.
10. The scheme initially considered parking at three main locations – Civic Centre Multi-storey, St Blaise and the South Street facility. However, since the initial launch a separate ‘Pay-as-you-go’ facility was identified at Rafford Way. It had been the Authority’s intention to undertake a review of other remote parking locations within the Borough, but following the departure of the nominated Lead Officer earlier in 2013, this review has not taken place. The subject of staff parking continues to remain high on the discussion agenda for Members and it is expected that no changes to current arrangements will be considered until 2014-15.

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11. During this review, efforts were being made by Facilities & Support Services staff to create a more comprehensive Staff Car Parking Permit – Application Form, which was hoped to eliminate a number of the administrative problems created by the existing application form. All successful applicants are required to sign a scheme ‘Terms and Conditions’ and are required to advise Facilities & Support Services whenever a change of vehicle occurs. As detailed in this report, this was identified a regular failure and will require the appropriate reiteration to staff and Members using parking facilities.
12. Following this review, the following recommendations have been raised in this report:
  - Comprehensive procedural guidelines should be introduced to cover all tasks/activities within the staff car parking scheme.
  - All records being maintained by Facilities & Support Services in relation to Staff Car Parking/charges should be maintained up-to-date at all times.
  - The Staff Car Parking Scheme records should be fully reviewed to ensure that the information held remains valid. Any discrepancies should be pursued with the individual members of staff.
  - Arrangements should be made to review the current agreements with xxx and yyy and for the issuing of formal notification to both organisations of any ongoing parking terms and conditions, particularly to include a ‘no liability’ clause for the Authority.
  - Where options are made available to offer non-qualifying staff unused parking facilities at an appropriate charge, these should be effected at the earliest opportunity.

### SIGNIFICANT FINDINGS (PRIORITY 1)

13. There are no Priority 1 recommendations being raised.

### DETAILED FINDINGS / MANAGEMENT ACTION PLAN

## REVIEW OF STAFF CAR PARKING AUDIT FOR 2013-14

14. The findings of this report, together with an assessment of the risk associated with any control weaknesses identified, are detailed in Appendix A. Any recommendations to management are raised and prioritised at Appendix B.

### ACKNOWLEDGEMENT

15. Internal Audit would like to thank all staff contacted during this review for their help and co-operation.

DETAILED FINDINGS

No.	Findings	Risk	Recommendation
1	<p>Discussions were held with both the Facilities and Support Services Manager and the Team Leader on 5/9/13, and it was confirmed that at present there are no procedures/guidelines in place.</p> <p>It was explained to the Auditor that the scheme was originally being worked on by both Human Resources and Facilities &amp; Support Services, and primarily involved the need to define a list of current users, whether casual or essential, and were using the car park facilities. Once the target audience had been identified, the Facilities &amp; Support Services Manager drafted the Terms and Conditions document which was issued to all staff who would fall into the 'Pay for Parking' category. When dealing with the amended Essential Car User Allowance criteria a number of problems arose and this needed closer liaison with HR, especially around the period for appeals. Following this period, Facilities &amp; Support Services effectively took over the general administration of the scheme, which involves the ongoing maintenance of the database of users, managing applications, the issuing of permits and general enquiries on the scheme.</p> <p>- continued over -</p>	<p>Failure to maintain comprehensive and up-to-date procedural guidelines may lead to inconsistencies in approach and subsequent errors which could result in loss of income to the Authority.</p>	<p><b>Comprehensive procedural guidelines should be introduced to cover all tasks/activities within the staff car parking scheme.</b></p> <p><b>[Priority 2]</b></p>

**Priority 1**  
**Required to address major weaknesses and should be implemented as soon as possible**

**Priority 2**  
**Required to address issues which do not represent good practice**

**Priority 3**  
**Identification of suggested areas for improvement**

DETAILED FINDINGS

No.	Findings	Risk	Recommendation
1 cont	<p>- continued -</p> <p>As previously indicated, the scheme does involve liaison with HR and there is also an interface with ISD in the production of key reports. In view of these interfaces, it is important that there exists detailed procedure notes to ensure that the individual requirements of the processes involved are consistently applied and responsibilities known.</p>		
2	<p>The Facilities and Support Services Manager together with the Support Services Team Leader were interviewed on 5/9/13 and asked to confirm the extent of records relating to current staff and Member car parking users.</p> <p>The Auditor was provided with access to a comprehensive spreadsheet which details all staff utilising car parking facilities. It did not include Member details as this was held separately. The main spreadsheet had originally been set-up by HR and following the launch of the scheme, the responsibility for the ongoing maintenance of these records was transferred to Facilities &amp; Support Services.</p> <p>During the Auditor's review of this spreadsheet it was found that the vast majority of the information/data was being maintained up-to-date. The only deficiencies found were:</p> <ul style="list-style-type: none"> <li>- in a number of Essential Car User cases which involved staff having submitted an appeal, the results of the appeal had not</li> </ul>	<p>Failure to maintain up-to-date scheme records could result in administrative errors/disputes with possible loss of income.</p>	<p><b>All records being maintained by Facilities &amp; Support Services in relation to Staff Car Parking/charges should be maintained up-to-date at all times.</b></p> <p><b>[Priority 2]</b></p>

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2 cont	<p>- continued –                      been recorded. Subsequent contact with HR on 2/9/13 confirmed that no appeal cases remained outstanding.                      - in a number of cases recorded since the updating of the spreadsheet had been taken over by Facilities and Support Services, staff member department/role/employee number had been omitted.                      - in a number of cases the car registration number had not been updated.</p>		

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3	<p>Discussions with the Facilities &amp; Support Services Team Leader on 29/8/13 confirmed that there was currently a process whereby a member of staff undertook monthly spot-checks of all car parks, and identified those not meeting the terms of parking including, not displaying permits or parking in the wrong location. A manual recording sheet is used to record such instances, and an appropriate notice is placed on the vehicle. In view of the excessive movement of vehicles in and out of the St Blaise car park, there is currently no logging of vehicles entering without a permit. In these instances and once satisfied with the explanation given by the driver, staff based at the Lodge automatically raise the barrier and provide access. However, discussions with the Facilities &amp; Support Services Manager on 5/9/13 confirmed to the Auditor that there are regular infringements of the parking arrangements, particularly from within the Carelink staff, who are known to leave their personal cars in the St Blaise car park all day without authority, whilst undertaking their daily duties in the Carelink vehicles. It was considered by the Facilities &amp; Support Services Manager that he and his staff were unable to force the issue, albeit that the matter had previously been reported to the Head of Direct Care Services.</p>	<p>Failure to maintain up-to-date scheme records could result in administrative errors/disputes with possible loss of income.</p>	<p><b>The Staff Car Parking Scheme records should be fully reviewed to ensure that the information held remains valid. Any discrepancies should be pursued with the individual members of staff.</b></p> <p><b>[Priority 2]</b></p>

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No.	Findings	Risk	Recommendation
3 cont	<p>During the course of undertaking the full spot-checks of both the Multi-storey and St Blaise car parks on the 18/9/13, some additional discrepancies were identified in the data recorded. However, the biggest concern was the number of vehicles identified during the spot-checks that were failing to display a parking permit.</p> <p>The spot-check of St Blaise car park on 18/9/13 identified 11 vehicles not displaying a valid permit. Of these, 6 were identified from records as being staff vehicles. The remaining 5 were unable to be identified, but in view of the ability for Lodge Attendants to allow exceptional access, it was possible that these vehicles were used by valid 'contractors/visitors' to the Authority on that day. Unfortunately, records of these exceptional access visits are not maintained.</p> <p>The spot-check undertaken at the Civic Centre Multi-Storey car park on the same day identified:</p> <ul style="list-style-type: none"> <li>- 8 vehicles failing to display a valid permit, of which 6 were unable to be traced to current staff parking records. There was 1 example where an old pre-charging permit for a different vehicle was being displayed.</li> </ul>		

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No.	Findings	Risk	Recommendation
3 cont	<p>- continued -</p> <p>Discussions with the Facilities &amp; Support Services Team Leader confirmed that there are minimal agreements for exceptional access to the Multi-Storey car park, and it could only be assumed that the vehicles were permit holders but were not displaying their permits, and/or had not notified the F&amp;SS team of a new car registration. It cannot be discounted that these are not 'rogue' parkers with no valid right to parking at this location.</p> <p>Although monthly 'spot-checks' are undertaken by F&amp;SS personnel, and are supported by a record sheet detailing offenders, the Auditor was advised that some vehicles are found to be regularly infringing parking terms, albeit that notices were being left on their windscreens.</p>		

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No.	Findings	Risk	Recommendation
4	<p>Although not a charging location, information relating to users of the parking facilities at Egerton Lodge was found not to be up-to-date. During the auditor's review of the facility on 18/9/13, 4 vehicles were found parked on the premises, but only three were known as being staff from xxx. Although all four vehicles had a valid parking permit displayed, the fourth vehicle was not immediately identified by Facilities &amp; Support Services. However, further enquiries determined this to be a long-standing arrangement for a LBB staff member, and replacement arrangements are now in hand. Subsequent enquiries by the Auditor identified that there were no formal arrangements for staff of both xxx or yyy to use this facility.</p>	<p>Failure to formalise exceptional parking arrangements may lead to future disputes and subsequent claims from users against the Authority for damage incurred to vehicles.</p>	<p><b>Appropriate arrangements should be made to review the current agreements with xxx and yyy and for the issuing of formal notification to both organisations of any ongoing parking terms and conditions, particularly to include a 'no liability' clause for the Authority.</b></p> <p><b>[Priority 2]</b></p>

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5	<p>Discussions with the Facilities &amp; Support Services Manager on 5/9/13, confirmed that the projected income was not currently being achieved at the levels originally presented to Members at the time the scheme of charging was introduced. Although the Facilities &amp; Support Services Manager confirmed that he was not responsible for managing the budget, he was aware that income was falling far short of expectations - more than 50%. This was based on the original projections of £150k of income in year 1. However, further discussions with the Head of Finance Corporate Services confirmed that the income budget for 2013-14 had been reduced to £75.3k in the knowledge of reduced take-up, and current usage indicated a 2013-14 income projection of £67.9k. Although the level of income was clearly not meeting original expectations, there was not sufficient evidence to suggest that adequate efforts were being made to rectify the position, even though there may be a number of non-qualifying staff wanting to take up available car parking spaces. It would seem from discussions with the Facilities &amp; Support Services Manager on 5/9/13 that there remains a number of high-level decisions to be made on the future of a number of</p>	<p>Failure to take appropriate and timely action to rectify shortfalls in projected income may adversely impact on future income levels.</p>	<p><b>Where options are made available to offer non-qualifying staff unused parking facilities at an appropriate charge, these should be effected at the earliest opportunity.</b></p> <p><b>[Priority 2]</b></p>

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No.	Findings	Risk	Recommendation
5 cont	- continued -  LBB sites which may impact on demand for the Civic Centre multi-storey car park. Until these decisions have been made no further progress is expected on the allocation of spare parking spaces.		

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MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
1	Comprehensive procedural guidelines should be introduced to cover all tasks/activities within the staff car parking scheme.	2	Terms and Condition of use for both staff and members are available. An application request form is now in operation and requires line management sign off. Parking access guidance is issued to the Attendant team. Site parking notices are in use and registers will be maintained. Periodicity of checks will be reviewed following additional reduction from Attendant team.	Facilities & Support Services Manager; Centralised Support Services Team Leader; Attendant Team	Complete
2	All records being maintained by Facilities & Support Services in relation to Staff Car Parking/charges should be maintained up-to-date at all times.	2	All records are maintained as per information received. An additional 6 monthly request will be issued to remind people to advise on any changes that may not have been reported.	Centralised Support Services Team Leader	30/04/14 & 30/09/14

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MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
3	The Staff Car Parking Scheme records should be fully reviewed to ensure that the information held remains valid. Any discrepancies should be pursued with the individual members of staff.	2	<p>The records are maintained and are amended as per updated advice on leavers through the workforce member process and new applications.</p> <p>A full annual review of post holder entitlements would need to be undertaken in conjunction with HR and timescales negotiated.</p>	<p>Centralised Support Services Team Leader;</p> <p>Facilities &amp; Support Services Manager; Centralised Support Services Team Leader; Human Resources</p>	<p>31/01/14</p> <p>30/09/14</p>

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MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
4	Appropriate arrangements should be made to review the current agreements with xxx and yyy and for the issuing of formal notification to both organisations of any ongoing parking terms and conditions, particularly to include a 'no liability' clause for the Authority.	2	At present no LBB staff are parking on the Egerton Lodge location.  Any agreements on xxx and yyy use of parking will be referred to the Legal Team for advice on any agreements that have been entered into.	Facilities & Support Services Manager; Centralised Support Services Team Leader	31/03/14
5	Where options are made available to offer non-qualifying staff unused parking facilities at an appropriate charge, these should be effected at the earliest opportunity.	2	At this point in time no proposals to extend parking opportunities as flagged will be entered into.  Once clarification on retention timescales for South Street are known and the impact on relocation of staff from there to Civic facilities has been assessed, opportunities may be reviewed. In addition there may also be	Facilities & Support Services Manager; Centralised Support Services Team Leader	30/09/14

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Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
			impacting changes on the Rafford Way car park and again users may need to be absorbed into existing, but reduced, civic car parks.		

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## OPINION DEFINITIONS

## APPENDIX C

As a result of their audit work auditors should form an overall opinion on the extent that actual controls in existence provide assurance that significant risks are being managed. They grade the control system accordingly. Absolute assurance cannot be given as internal control systems, no matter how sophisticated, cannot prevent or detect all errors or irregularities.

### **Assurance Level**

### **Definition**

Full Assurance

There is a sound system of control designed to achieve all the objectives tested.

Substantial Assurance

While there is a basically sound systems and procedures in place, there are weaknesses, which put some of these objectives at risk. It is possible to give substantial assurance even in circumstances where there may be a priority one recommendation that is not considered to be a fundamental control system weakness. Fundamental control systems are considered to be crucial to the overall integrity of the system under review. Examples would include no regular bank reconciliation, non-compliance with legislation, substantial lack of documentation to support expenditure, inaccurate and untimely reporting to management, material income losses and material inaccurate data collection or recording.

Limited Assurance

Weaknesses in the system of controls and procedures are such as to put the objectives at risk. This opinion is given in circumstances where there are priority one recommendations considered to be fundamental control system weaknesses and/or several priority two recommendations relating to control and procedural weaknesses.

No Assurance

Control is generally weak leaving the systems and procedures open to significant error or abuse. There will be a number of fundamental control weaknesses highlighted.